

LOS ANGELES

TRANSIT LINES

SAFETY
COURTESY
SERVICE

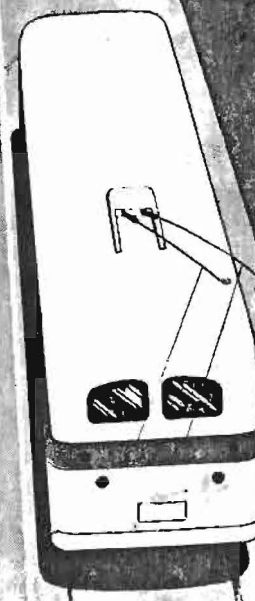
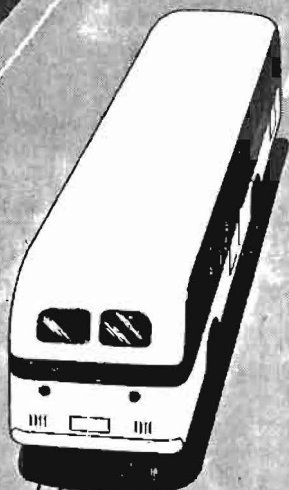
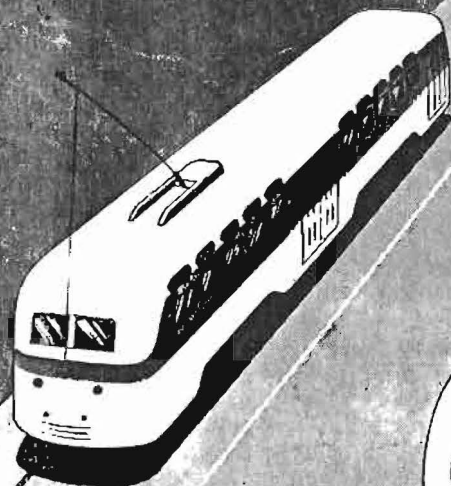
1950

Annual

REPORT

TO THE

EMPLOYEES



1950 IN RETROSPECT

NINETEEN Hundred Fifty was a most eventful year for the nation moved into defense mobilization with the outbreak of the Korean war. Attention has been called for the need of civilian defense and we are working diligently with the proper authorities in planning for any emergencies.

Foundation for the Future

THE fare zone adjustment, which became effective December 10, did not provide adequate increases in total revenue, but is considered a major improvement from a transportation viewpoint. The revised zones resulted in a more reasonable relationship between the fare paid and the length of the haul. This permits a lower fare for the single zone rider than otherwise possible. The new fare zone pattern serves as a foundation for any future fare adjustments and offers a possibility of retaining a greater proportion of the desirable short-haul riders.

It must be remembered that the former fare zone system featured a large Inner Zone with a few outer zones, largely remnants of the interurban fares of predecessor companies of many years ago. The structure was cluttered with awkward overlaps and was poorly related to newer developments in outlying areas.

We wish to take this opportunity to thank each and every employee for helping put this zone adjustment into effect. We appreciate their untiring efforts during the first 30 days in helping us acquaint the patrons with the fares, identification checks, zone boundaries, collection procedures, etc. Only men and women of the highest caliber

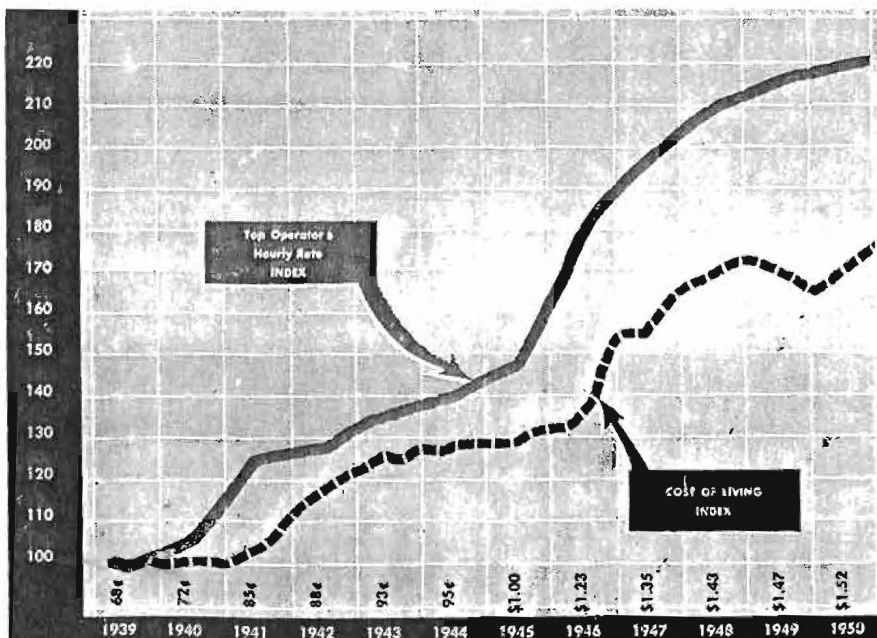
could have handled such an enormous task so effectively.

Collective Bargaining

A NEW labor contract was completed and signed June 19, after several weeks of negotiations and a work stoppage of five days, which greatly effected the community, the employees and the Company. Transit service was restored through an agreement whereby contract employees received an increase of 5¢ per hour retroactive to June 1, 1950 and through June 1, 1951. An additional 3¢ per hour increase for the second year was also agreed upon. This increase is to become effective June 1, 1951 and to extend to May 31, 1952.

This is the first time the employees and management of Los Angeles Transit Lines have signed the wage contract for a 2-year period. The extra men under the contract were benefited by a guarantee which greatly improved their positions. Vacation allowances were also changed. One week's vacation to be allowed after the first year of continuous service; two weeks after two years and three weeks after twenty years.

Your Company has always been most agreeable to the method of collective bargaining established under the American Free Enterprise system. We welcome the opportunity to sit down with the Union representatives of our employees in an honest endeavor to work out the best possible working conditions for the employees, within the Company's ability to pay for same. We are cognizant of the fact that a healthy organization is a team of human beings working in close harmony



Cost of Living and Employees Hourly Earnings

Chart shows increases in hourly rate of top operators of Los Angeles Transit Lines, which have more than kept pace with the cost of living.

The chart is based on comparison of top operators' hourly pay with the Cost of Living Index of Los Angeles, as supplied by the U. S. Chamber of Commerce. It does not include pensions, social security, unemployment taxes, workmen's compensation or medical expenses.

for their mutual security and satisfaction.

It must be remembered, of course, that our ability to adjust wages at will is restricted. Wages and all other costs come from fares and the amount of fare to be charged is controlled by the regulatory bodies.

Highway Development

NINETEEN Fifty brought the tremendous freeway development closer to an actuality when a strip of Hollywood Parkway was opened. Your Company is keeping in close touch with the development of freeways with a view to giving the public the advantage of improving transportation and reducing travel time to the extent that freeway design will permit.

The one-way street program, which is a part of the freeway plan made it necessary for us to abandon the old street car Line N and replace it with service by Coach Line 25.

Pacing Progress

Los Angeles continues as the fastest growing metropolis in the United States and as it expands your Company grows with it. Most important change made in 1950 was the extension of the trackless trolley line Number 3, into the newly developed areas near Third and Fairfax.

At this intersection are two well known, heavily patronized shopping centers, the Town & Country Market and the famous Farmers Market. The latter covers 20 acres, with 150 separate shops and a patronage of 30,000 customers per day.

Nearby is Gilmore Stadium, home of the Hollywood Stars, and the Pan-Pacific Auditorium. Plans are underway to construct a height limit Television City within a block of this strategic corner.

The line taps the passenger potentialities of the new Parklambrea Multiple Apartment development, which covers 176 acres with 18 height limit build-



Yellow, green and white vehicles of Los Angeles Transit Lines brings modern transit service to Parklambrea Towers, a modern multiple apartment development.

ings, 117 3-bedroom garden type units with 1382 apartments already occupied.

One tower apartment building is being completed each thirty days and eventually there will be 4253 apartments housing an estimated population of 10,000, together with a most modern commercial center.

Because the line was opened coincident with the premiere of the 1950 Ice Follies at Pan-Pacific, a petite ice skater was chosen to cut the ribbon at ceremonies attended by a group of civic leaders and city officials, and covered extensively by the press. The extension of this line made it necessary to reroute portions of lines R and S.

Refinancing

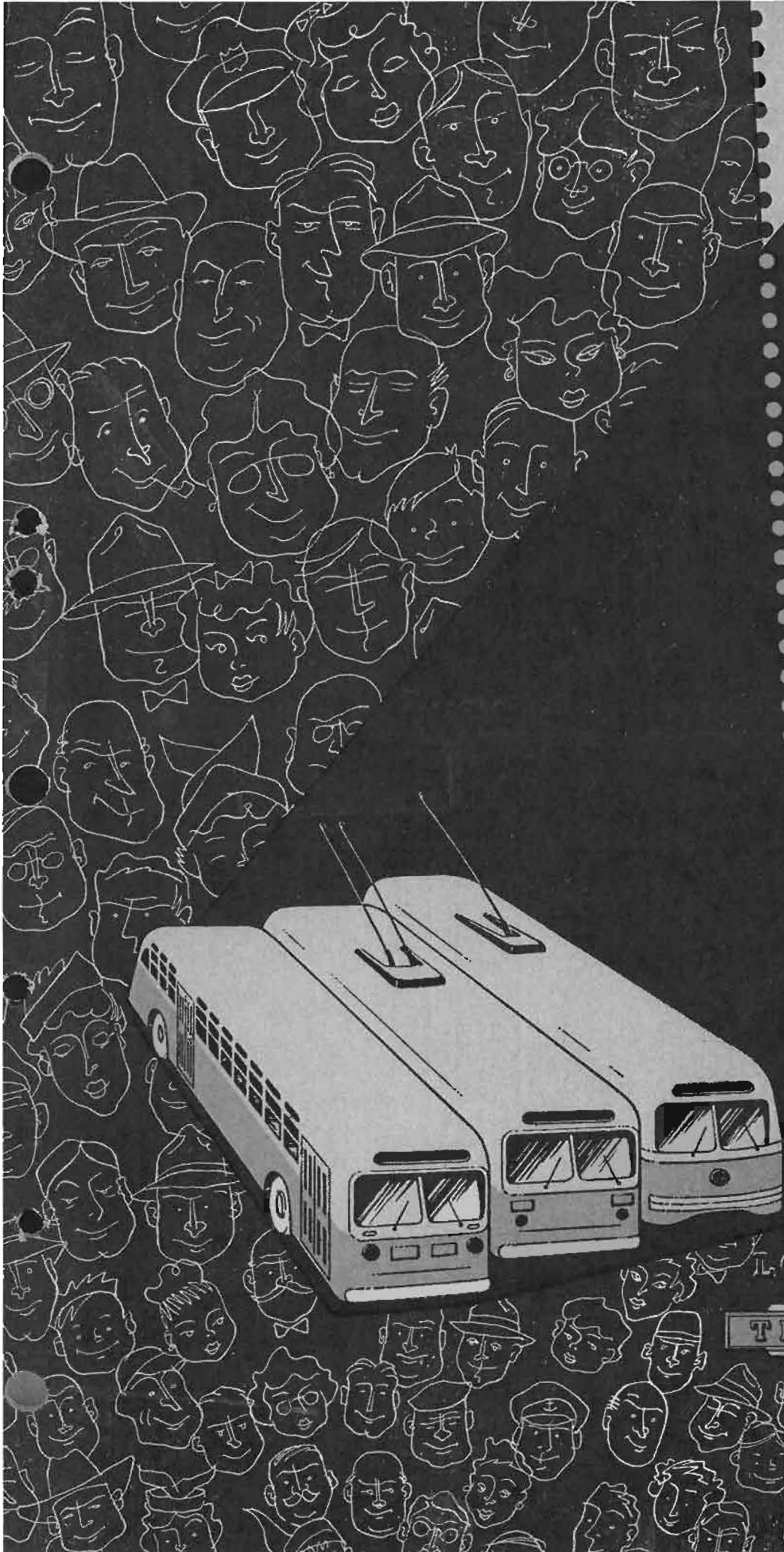
EVER mindful of economies your Company in 1950 made arrangements to retire its General Mortgage Bonds. This was accomplished by negotiating a Term Loan Agreement with four California banks headed by the Bank of America. This refinancing, which has been authorized by the State Public Utilities Commission, is to become effective March 1, 1951. It will result in the reduction in the rate of interest on such outstanding obligations from 3% to 3% per annum, and will eliminate all trustee fees and certain restrictions and time consuming requirements called for in the Indenture of Mortgage and Deed of Trust relating to the bonds to be retired.

We are most fortunate that one-fifth of our total employees have twenty years or more in seniority, as indicated on this chart. However, the cost to the company for the additional 1-week vacation will amount to more than \$50,500 for the first year. This is three times the amount plowed back into the business in 1950.



1951

**annual
report**



LOS ANGELES

TRANSIT LINES

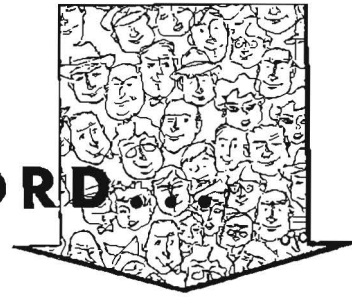
SAFETY
COURTESY
SERVICE

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STATISTICAL DEPT.

FOREWORD



TO THE SHAREHOLDERS:

During the year 1951 your Company earned 79¢ per share on its outstanding stock; 50¢ per share was distributed to you in dividends. Earnings during the previous year, 1950, amounted to 51¢ per share.

Factors which contributed to this increase in earnings include the change in fare zones which became effective December 10, 1950, the return of a portion of the liability insurance premiums paid in the preceding five years, concentration on operating economies, and the benefits gained from the two-year labor contract negotiated in June 1950. There was, of course, no work stoppage such as was experienced for five days during 1950.

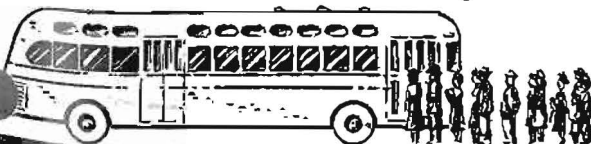
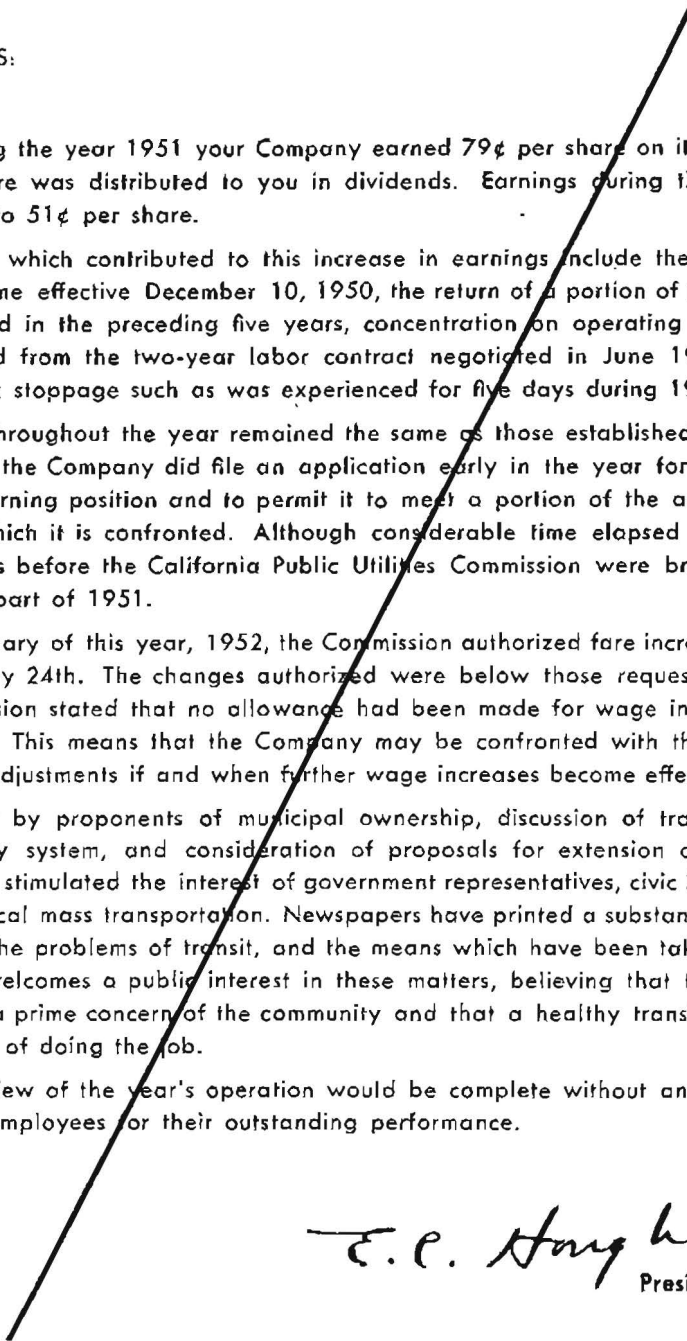
Fares throughout the year remained the same as those established in December of 1950. However, the Company did file an application early in the year for a fare increase to improve its earning position and to permit it to meet a portion of the added wage and other costs with which it is confronted. Although considerable time elapsed after filing of this petition, hearings before the California Public Utilities Commission were brought to a close during the latter part of 1951.

In January of this year, 1952, the Commission authorized fare increases which became effective January 24th. The changes authorized were below those requested by the Company. The Commission stated that no allowance had been made for wage increases not already contracted for. This means that the Company may be confronted with the necessity of again seeking fare adjustments if and when further wage increases become effective.

Activity by proponents of municipal ownership, discussion of transit use of the developing freeway system, and consideration of proposals for extension of the one-way street system have stimulated the interest of government representatives, civic leaders and the general public in local mass transportation. Newspapers have printed a substantial amount of factual material on the problems of transit, and the means which have been taken to meet them. Your Company welcomes a public interest in these matters, believing that the efficient movement of people is a prime concern of the community and that a healthy transit system is the one effective means of doing the job.

No review of the year's operation would be complete without an expression of appreciation to all employees for their outstanding performance.

E. C. Hargrave
President





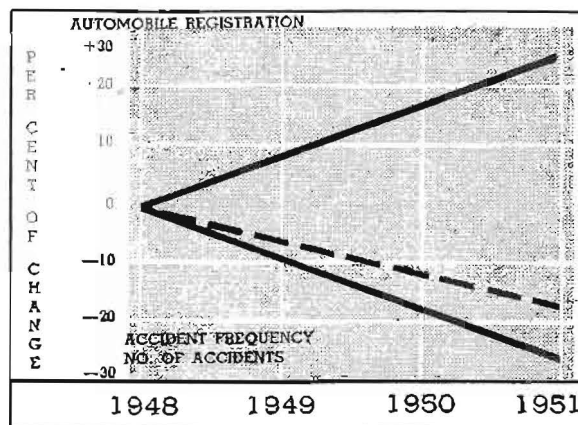
"A STITCH IN TIME"

Your Company has always considered accident prevention to be of extreme importance, and considerable emphasis has been placed on safety education among all employees.

In traffic accidents a decrease has been reported each year, the highest being —21% in 1947, from the preceding year, and the lowest being —1.8% in 1951.

This record of 1951 is considered fortunate in light of the fact that automobile registration in Los Angeles then reached its peak. A greater number of automobiles on the streets with the resultant increase in accident potentialities together with a personnel turnover rate of 2.09% per month, which meant a less experienced operating force, might well have brought about a higher accident experience.

To give recognition to outstanding performance in safe operation your Company initiated the



Although accident potentialities increased number of traffic accidents decreased. Dotted line represents accident frequency, or number of accidents per 100,000 miles of operation. Heavy lines, auto registration and number of traffic accidents in which our vehicles were involved.

"175,000 Safe Miles Club," membership being signified by the awarding of an appropriate shoulder patch to 67 operators. The "150,000 Safe Miles Club" at the end of the year had a membership of 203.

EMPLOYEE MANAGEMENT RELATIONS

The year 1951 was characterized by an expansion of job opportunities in industry and commerce in the Los Angeles area. Problems of selecting and training employees to replace those leaving for more remunerative work, particularly in the defense industries, arose during the year, and still exist.

Full credit for the fine performance of the work of operation and maintenance of the property is due to the loyalty of the older, and to the willing spirit and the aptitude of the new employees.

On June 1, 1951 the employees of your Company received an increase of 3¢ per hour, under the provisions of the two-year agreement entered into in June of 1950. Although this agreement provides for continuance of the current wage rates until May 31, 1952, your Company, in light of requests from the Union and in recognition of the effect of inflationary forces on the cost of living, requested that an allowance be made for an increase in wage rates when presenting its case for fare adjustments to the California Public Utilities Commission. A commitment was made to our employees that a wage increase would be offered them immediately after receipt of authority to increase fares.

Holding that the commitment to offer an increase in wages did not constitute a contractual

obligation, the Commission, in establishing new rates of fare effective January 24, 1952, specifically excluded any provision for increase in wage rates. The Company, however, fulfilled its commitment by offering the employees an increase of 7 cents per hour retroactive to January 1, this year, 1952, and an additional 8 cents per hour effective June 1. By vote of the Union membership, this offer was rejected.

Negotiations on a labor agreement to take effect June 1, 1952, will begin during the month of May.

Safety Council president, L. W. Van Aken, sews 175,000 Safe Mile shoulder patch on operator's sleeve while E. C. Houghton, president Los Angeles Transit Lines presents him with "Citation of Appreciation" card.





Entrance of Hollywood Parkway at Civic Center. Photo shows a few of new parking lots also added. Ten coaches could easily transport all the people who came to town in the autos shown above.

FREEWAY DEVELOPMENTS

The opening of the Hollywood Parkway from Civic Center to Western Avenue made Los Angeles aware that the Freeway Program had emerged from the dream stage into reality.

The problem now confronting the community is that of securing the fullest utilization of the Freeways, that is, making certain that the maximum number of people make use of these high speed arteries. The tremendous cost of construction of these facilities can be justified only if as many people as possible secure the benefits of the time savings offered.

Planning for the Hollywood Parkway began before legislation was adopted imposing additional Highway Users Taxes for financing the Freeway Program.

Users of various types of vehicles, including bus patrons, have since then been paying additional amounts to finance the construction of the Freeways. Recommendations upon which this legislation was based contemplated construction by the State of bus loading facilities as an integral part of the Freeway network. Prior to this State enactment of additional taxes the City of Los Angeles advanced money for the construction of bus turnouts at three locations where major crosstown transit routes would provide a transfer connection with transit service on the Hollywood Parkway.

A number of studies of the possibilities of providing transit service on these high speed arteries have been made. Your Company, civic groups and city representatives are now giving consideration to the amount of payment, if any, which should

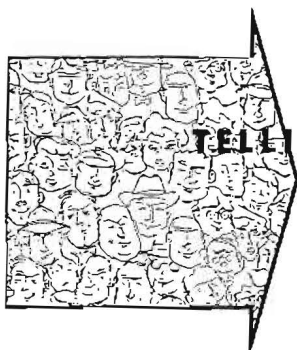
be exacted by the City for the use of Freeway facilities by public transportation.

It has been the position of your Company that any fees required by the City for Freeway operation should be levied solely for the purpose of recovering over the full life expectancy of the bus turnouts, the advances made by the City for such facilities. Since the operation would be conducted on a facility built and maintained by the State and financed by special Highway User taxes, to which the transit rider contributes, it should not be subject to fees predicated upon use of city streets.

ONE WAY STREET PROPOSALS

Another development greatly affecting your Company has been the pressure for the expansion of the one-way street program. Experience with transit operations on existing one-way streets has proven that this type of traffic control is not only more costly but presents serious disadvantages to the transit rider through lessened convenience and increased travel time. In fact it has been demonstrated that the detriment to transit service far outweighs any benefits which might be claimed for the private vehicular traffic when the streets are considered in their proper light—as means of moving people.

These problems, which would be intensified by the establishment of the proposed one-way controls on Flower, Figueroa, 11th, 12th, 1st and 2nd Streets, have been brought to the attention of the Board of Street Traffic Engineering Commissioners, who have the program under consideration.



TELLING

OUR STORY

To meet the challenge facing transit your Company's public relations activities were intensified during 1951, and although advertising expenditures were limited, advantages were gained through the public relations efforts of the entire personnel.

The operator of a car or coach represents the Company to most patrons. Consequently, emphasis was placed upon a program designed to give the employees facts concerning the problems and the plans of the organization, to make them better able to answer questions and discuss transit. Management-employee communications sent directly to the employees' homes proved an effective medium. A comprehensive Annual Report to the Employees was prepared in which accounting was simplified and cartoons used as attention-getters. A House Magazine was designed with a format to give facts about the Company to the entire organization.

Press Attention

Our Research and Planning Department continually prepared factual information for the benefit of the Press and the public. The newspapers, radio and television reporters have endeavored to be fair and factual in their appraisal of the Company.

Management Contacts

Members of the staff made speaking appearances before groups of business and civic leaders

Decals in car card racks on vehicles are used calling attention to the comfort of transit riding.



Company magazine "Two Bells" gives employees pertinent facts regarding the Company.

with the result that others are now repeating our theme: "A City is dependent upon the free movement of People—Not Vehicles."

Selling Rides

During the year the Company prepared and delivered schedules from house to house on some of the major lines. Men from the Schedule Department, with ability to answer any query from housewives, were chosen for this task.

A series of small, effective advertisements were used in newspapers for a time, and even a portion of the back of our transfers is devoted to some type of message.

"Operator of the Month"

The Courtesy Club which began in 1948 was expanded in 1951 to create more interest. Each month an "Operator of the Month" is chosen from employees commended in letters received from the riding public. The operator is given an award and posters carrying his photograph are placed in all the vehicles.

At present there are 572 men and women wearing the coveted shoulder patch which denotes Honor Membership in the Los Angeles Transit Lines Courtesy Club. This special emphasis placed upon courtesy is true public relations placed at the focal point—the steering wheel of a coach and the controls of a streetcar.

NEW VEHICLES

The transit vehicle is the package in which our goods are sold, and a clean, new, modern coach or streetcar is an effective selling tool.

In 1951 your Company purchased twenty-five motor coaches of the latest design. Larger than the rest of our fleet of coaches, most of which seat 45, the new vehicle seats 51 passengers.

1952

Annual

Report

LOS ANGELES

TRANSIT LINES

**SAFETY
COURTESY
SERVICE**

PRESIDENT'S MESSAGE

TO THE STOCKHOLDERS

Submitted in the pages following is the financial statement of Los Angeles Transit Lines for 1952.

Income was \$24,995,698, expenses \$23,736,230, net income \$1,259,468, and of the latter \$684,650 was distributed in dividends totaling 62½c per share.

Net income per share outstanding was \$1.15, which compares to \$0.79 for 1951, when the dividend rate was 50c per share.

In April 1951 the Company filed an application stating that a 15 cent basic one-zone fare was the minimum requirement for a sound operation offering a desirable standard of service to the public. As of January 24, 1952, the Commission authorized a fare adjustment which set the one-zone basic fare at 15 cents cash, two tokens for 25 cents, or 12½ cents each. The Commission stated specifically that no allowance was made at that time for wage increases then pending.

After another application was filed to cover wage increases effective June 1, 1952, the Commission authorized an adjustment in the token rate to three for 40 cents or 13½ cents each, effective as of November 3, 1952.

These decisions lagged some months behind the effective dates of increases in wages and material

costs that made them necessary and still fell short of the 15 cent fare which management recommended in April 1951 as the minimum consistent with our responsibilities to shareholders and patrons.

It has been necessary to practice rigid economy and to forego any thought of expanding the system.

During the past year much has been said, written and published, regarding public agencies acquiring transit properties, such as owned and operated by your Company. This discussion is national in scope, due to increased costs of transportation and the rising tide of private vehicles on city streets.

Los Angeles Transit Lines' primary interest is in the continuance of successful operation under the private enterprise system. This requires a reasonable rate of return to our stockholders based on the value of our properties.

There is no doubt a public agency enjoys many advantages over a private enterprise such as ours. These advantages include freedom from many forms of taxation, freedom in making changes in service and rates of fares. These advantages have great importance to a city-owned operation but can easily be dissipated through an authority type of public agency where the city service is combined with suburban or thinly populated areas.

Your management, in the event an offer is made for any of its properties, would be willing to negotiate for a fair market value based on the replacement value of the property in question. In the event the City did not wish to buy on a cash basis, we would consider acceptance of the City's tax free revenue bonds payable over a period of years, during which time of payment, we would retain management of the property until such revenue bonds were either paid in full out of the earnings of the property or otherwise in cash by the City.

If any such plans materialize same would be submitted to our stockholders for their consideration.

Various factors combined to prevent any increase in the dividend rate from 1945 through to the end of 1951, though management was well aware of the fact that investors were entitled to larger dividends, in view of the diminished purchasing power of the dollar. Management intends to make every effort to maintain earnings such that an adequate dividend can continue to be paid, by continued economies in operation and by seeking to establish fares at an appropriate level.

It is essential that risk capital continue to earn a reasonable rate of return, if there is to be available the necessary capital to provide jobs for our employees and service to the public.

It is pleasant to report an improved public understanding of the importance of urban mass transit and of the problems faced by the industry. Public officials, news media, and responsible business groups manifest a more thoughtful and realistic attitude, which is sincerely appreciated.

Throughout the country there is a growing recognition of the fact that it is in the best interests of the whole community to relieve transit of the burden of

discriminatory taxes, particularly the local franchise taxes, which usually take the form of a fixed percentage of gross revenues.

Locally this tax is 2½ per cent of revenues on bus and 2 per cent of revenues on streetcar operation, which is high relative to other comparable communities. There were suggestions made for charging a rate higher still on urban freeway operations where the City had constructed bus loading and turnout facilities.

A sympathetic attitude was indicated in hearings held before the City governmental bodies on this matter, both by public officials and representatives of business groups who made appearances.

The tax was set ultimately at 2½ per cent.

A similar attitude was displayed during the discussions of proposals to convert First, Second, Flower and Figueroa Streets to one-way traffic, which would have impaired transit facilities, with consequent inconvenience to patrons and expense to the Company. After public hearings, these proposals apparently were withdrawn.

The improved attitude on the part of the public has had its counterpart in the loyalty and devotion to duty which has marked the conduct of our employees. Their fine spirit has been a major factor in whatever success we have achieved during the year.



E. C. HOUGHTON,
President

1952 HIGHLIGHTS

SERVICE SCHEDULES

Constant effort was devoted to improving scheduling with a view to offering maximum service where it was most needed, and it was felt that on the whole the quality of scheduling was greatly improved with the exception of extreme peak hour periods.

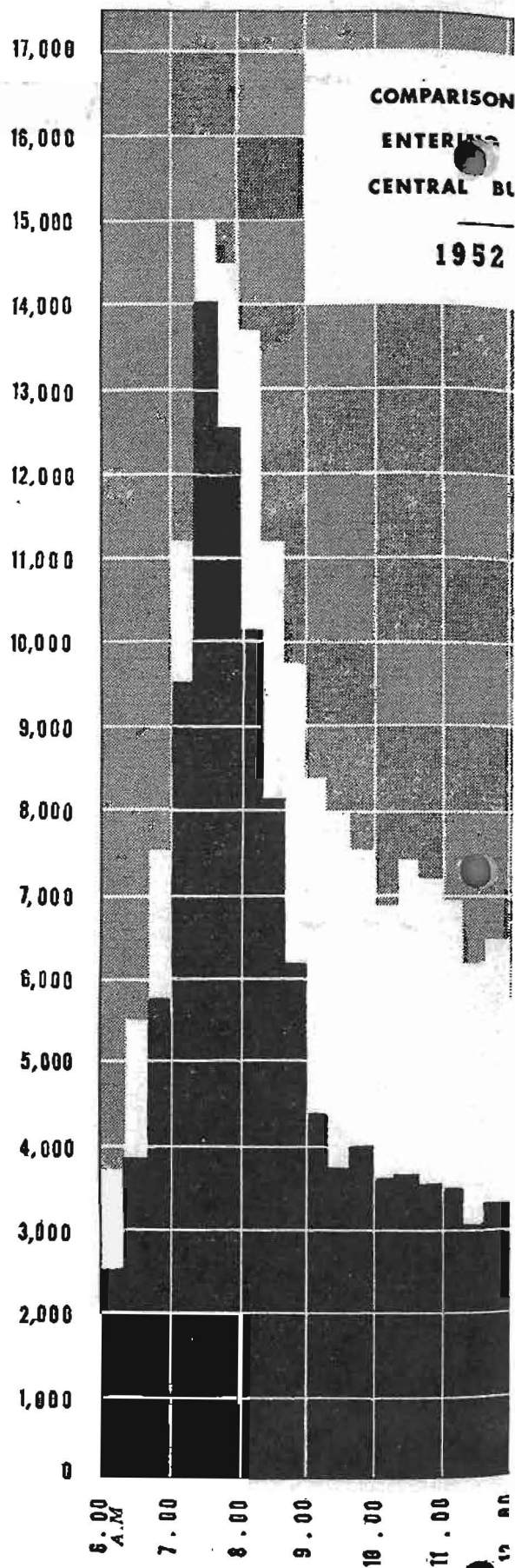
PEAK HOUR PROBLEM

Two factors combined to complicate the problem, one, the fact that a larger proportion of our passengers insisted on riding during the peak periods as the graph on these pages indicates, and a smaller proportion than ever rode in the base periods, and combined with this was a difficulty encountered in obtaining enough skilled personnel to man the vehicles. The number of operators leaving service was close to normal, but competent personnel of all kinds was in great demand due to increased activity of local war plants and qualified replacements were hard to find. During peak periods scheduled equipment occasionally was held in storage, due to the manpower shortage.

CHRISTMAS EXPERIENCE

Experience during the Christmas shopping season offered an opportunity to observe what might be accomplished if a larger proportion of riding were to fall in the base periods. Stores remained open in the evenings and consequently passenger travel was spread over a longer period. Under these conditions the quality of service offered to the public was the best of any in the past ten years.

This experience would seem to indicate that some form of staggered hours, a departure from the present rigid pattern of hours devoted to employment and business transactions of all kinds, would go a long way towards solving traffic problems generally and improving the quality of transit service.



OF PASSENGERS
AND LEAVING
INESS DISTRICT

1946

9 4 6

9 5 2

1.00 2.00 3.00 4.00 5.00 6.00 7.00 8.00

FREE RIDE PLAN

A plan initiated by the Company to encourage transit riding by patrons of retail stores and to diminish the volume of traffic entering congested areas attracted wide attention during 1952.

Articles appeared in a number of trade publications with reference to this plan.

Merchants for some time have offered to validate parking tickets for their patrons. Originally this courtesy was intended to attract the "carriage trade" but with the almost universal use of the private passenger automobile merchants have found that so many of their clients make use of this service that the net result is greatly increased automobile traffic congestion, and a considerable expense item.

On the theory that merchants in their own self-interest should endeavor to reduce rather than increase traffic congestion, and in the belief that the shopper who rides by transit is entitled to the same consideration as the shopper who rides by private passenger automobile, the Company entered into an understanding with certain selected merchants. The participating merchants agreed to give away one transit token with each purchase in a specified amount. The Company agreed to use traveling display cards on the sides of its vehicles, the "take one" folder and available space on the reverse side of transfers to advertise the service offered by participating merchants.

So far the experience has been good and the merchants who signed up for the plan have stayed with it and seem to be gratified by the results obtained.

Patrons are enthusiastic and it is hoped that the result will be a reduction in traffic congestion.

An effort will be made in 1953 to increase the scope of this plan.

INFORMATION SERVICE

Full attention was given to the Information services, including preparation and distribution of maps, particularly those having to do with changes in location of stops and the quality and quantity of this material were both materially increased.

1952 HIGHLIGHTS

THE TAX STORY

Taxes continue to take a substantial part of total revenues. During 1952, Federal income taxes totaled \$1,781,877.23, and taxes other than Federal income totaled \$1,795,187.94.

It is profoundly hoped that economies in government operation and the prospects of international peace may make it possible to reduce the heavy burden of taxation, but these matters are beyond our influence except to the degree that we can elect enlightened public officials.

A DISCRIMINATORY TAX

But there is one form of taxation that is close to home and which is the particular problem of the industry. This is the franchise tax, sometimes collected as a percentage of gross revenues, payable to cities in which we operate. In our case such tax expense amounted to \$468,063.98 in 1952. Such taxes were levied originally when transit was a monopoly, and usually a profitable monopoly, and since transit was used by the great majority of the people in any given community this burden was widely distributed.

With the passage of time it has become a tax upon those least able to pay, for it is passed along as part of the fare, since such taxes constitute a part of operating costs in determination of reasonable rates of fare. Moreover, thoughtful city planners are beginning to understand that mass transit is no longer a monopoly and makes efficient use of city streets, carrying in one vehicle as many people as occupy forty private passenger automobiles on the average. The high cost of building thoroughfares for the greatly increased automobile traffic, plus the cost of policing this traffic, makes up a large part of city government budgets, and there is some hope that in the foreseeable future the cities will come to recognize the fact that this discriminatory tax is excessive and may take steps to reduce or eliminate it.

FREEWAYS

An application is being filed with the California Public Utilities Commission for approval of a franchise granted by the City of Los Angeles to permit the Company to operate on the freeways or sections of the freeways as they are completed. Applications for specific routes will be filed as studies indicate they will be advantageous.

Construction of the Harbor Freeway to the west side of the business district is progressing rapidly, and in time this development will have an impact upon additional transit lines. It is hoped that design of this facility will prove to be of benefit in the long run.

FINANCING

Refinancing involving retirement of bonds and issuance of a promissory note under a term loan agreement was reported in 1951. During 1952 the term loan obligation was retired.

Outstanding long term obligations consist of notes issued in connection with time purchase of passenger vehicles.

MAINTENANCE

Maintenance of property and equipment of the Company, while constituting a larger portion of the year's activities, does not require detailed description for most of it is routine activity.

As regards automotive equipment, the Company continued to pursue the policy which has come to be known as preventive maintenance, or anticipating mechanical failures before they occur so as to reduce breakdowns on the road to a minimum. Some of the older equipment was modernized during the year and additional effort was made to keep all of the equipment brightly painted and clean in the belief that this would attract more patronage.

The same principles were applied with street car maintenance.

Ways and structures were kept in an adequate state of repair and the most rigid economy was practiced in this respect.

Some extraordinary changes in lines and overhead equipment were required to conform to freeway development.

EMPLOYEE RELATIONS

Employees participating in the retirement income plan numbered 2442 at the end of 1952, and 22 reached normal retirement. Contributions by the Company totaled \$584,566.87, death benefits paid out \$49,500.00 and disability benefits \$26,452.20.

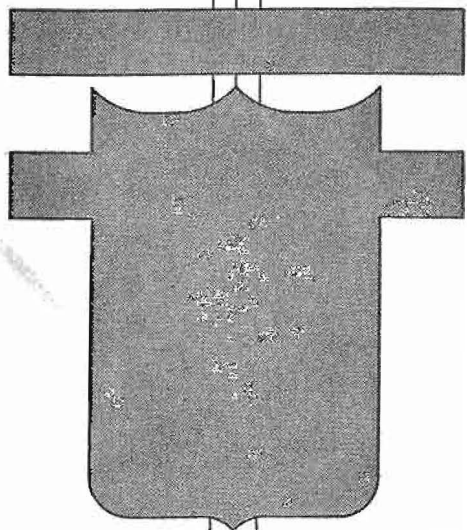
In the medical plan 2583 employees participated, Company contributions equalled \$76,601.21 and 4,898 new cases were handled during the year.

Group life insurance covered 2493 employees, \$36,000.00 was paid out in death benefits.

During the year 9786 persons applied for employment, 772 were hired, 773 terminated employment and 30 retired.

IMPROVED LOADING

In close collaboration with the City Board of Public Utilities and Transportation, the Company worked out many changes with a view to providing a more adequate number and better placement of coach stops. As a result of this program, coaches obtained easier access to curb loading facilities with less interference with other vehicles using the streets.



LOS ANGELES TRANSIT LINES

1953

ANNUAL REPORT

PRESIDENT'S REPORT TO THE STOCKHOLDERS

Presented herewith is the Annual Report of Los Angeles Transit Lines for the year 1953.

Income for the year was \$25,405,382, compared to \$24,995,698 for 1952.

Net income was \$1,278,197 and earnings per share of common stock outstanding were \$1.20, compared with \$1.15 the previous year.

A combination of circumstances prevented a more reasonable increase in income and earnings per share which in turn would be sufficient to properly support investment in property devoted to public service. Certainly the investors in this type of business enterprise are entitled to a dividend that is nearer to the expected ratio between it and the book value of the stock per share.

Although an effort was made to secure fare adjustments promptly after wage, tax and other cost increases became effective, delay of several months by the Public Utilities Commission in authorizing a fare adjustment, combined with a further decline in passengers (due in part to a continued increase in automobile registration) were factors which affected the earnings.

These circumstances prevent the improvements or expansions in service which management would like to make and which could be provided with a proper income or revenue level. Some encouragement is seen in a recent report to the Governor by the California Public Utilities Commission indicating that the Commission is now fully cognizant of the problems of local transit operators and of the circumstances created when there is a time lag between cost increases and the opportunity to adjust fares or the price for the services rendered to meet those cost increases. The Commission's report stated:

"Regulation of privately owned companies which provide mass transportation for passengers in California is becoming a problem of daily concern to the Commission. Like other companies, the transit lines have faced the necessity of paying higher wages, higher taxes, higher fuel prices and higher prices for supplies and

equipment. In addition they have been confronted with a type of vigorous competition which most utilities do not have to meet. Competition for the passenger carriers has come mainly from the privately owned automobile, especially from so-called car pools."

Management and the Labor Union were able to reach a wage agreement effective for one year from June 1, 1953 which resulted in a wage increase of nine cents per hour. This increase, coupled with increases in highway user taxes, the cost of fuel and other items, were such as to require a fare adjustment.

An application was filed with the Public Utilities Commission June 2, 1953 requesting elimination of reduced rate tokens and school tickets and the establishment of a 10-cent fare between the No. 5 line and the Hollywood Park Turf Club. It was not until November 10 that the Commission acted authorizing a fare adjustment to become effective not earlier than November 30, six months after the date of the wage increase and five months and 28 days after filing of the application.

The decision authorized a rate of fare of seven tokens for one dollar and a 10-cent fare for the special service provided between the No. 5 rail line and the Hollywood Park Turf Club. All other requests were denied. The fare adjustment finally authorized was less than that asked for in the application, consequently the net income is still inadequate, making it difficult to pay dividends that will be a fair return on net equity per share.

The average rate of fare under the old rate structure was 15.55 cents and under the new rate structure, effective November 30, 1953, 16.45 cents, or an increase of 9/10 of one cent per fare.

When applied to the number of revenue passengers carried during the period June 1 through November 30, 1953, the loss in gross revenue after allowance for deflection was in excess of one-half million dollars.

The Board of Directors and Management thank the entire personnel of this organization for a job well done in the year just past.

By Order of Board of Directors



E. C. HOUGHTON
PRESIDENT

HIGHLIGHTS OF THE YEAR 1953

MERCHANDISING TRANSIT

Wooing the public from the private automobile is a never ending task, especially in this area, where private automobile transportation has become an accepted part of California life.

However, the company continues in its efforts to merchandise the ride. First and major merchandising effort is through the employees who, to the riding public, are the Los Angeles Transit Lines. Coach and street car operators do their part through courtesy as evidenced by the fact that 1607 commendations were received in 1953. Telephone operators are trained to answer the phone quickly and pleasantly. Information girls work out special tours for patrons who call. Maintenance men keep the vehicles in top condition so no delays interfere with the patron's ride. Vehicles are kept clean, neat and bright.

A speaking bureau has been established by the Public Relations Department to carry our story and our problems to service clubs throughout the area.

During 1953 the company experienced greater cooperation from the local business men, some of whom continued the token refund plan, wherein a token is given to a customer upon a minimum purchase. Realization that transit is important to their success is evidenced by the fact that a centrally located department store recently purchased a large

quantity of advertising display positions on the front of our vehicles, and subsequently tied in some newspaper advertising with the display calling attention to the benefits of transit travel.

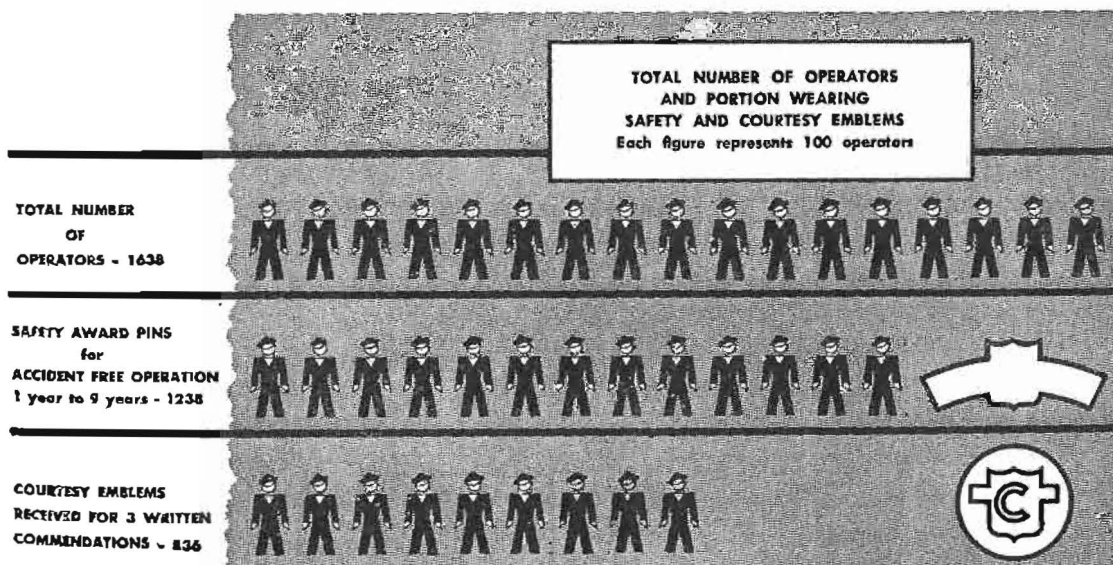
These efforts do not go unrewarded.

It is noteworthy that although the decline in transit patronage for 1953 as compared to 1952 for the nation was 7.90%, the Los Angeles Transit Lines experienced a decline of 4.86%.

SAFETY

Our Safety Record for 1953 was the best we have experienced since the Safety Program was inaugurated in 1946. The following data discloses that fact:

Traffic accident		
frequency rate per	1953	1952
100,000 miles	13.79	15.06
Passenger accident		
frequency rate per		
10,000,000 passengers carried..	8.31	8.99
Ratio of unreported		
accidents to reported		
accidents	1.95	3.58
Employee accident		
frequency rate per		
1,000,000 hours worked	18.30	19.10



A.T.A. CONVENTION

For the first time in many years, Los Angeles was host to the national convention of the American Transit Association, which met here August 10 and 11.

In an atmosphere of good fellowship, a representative number of delegates transacted business of great significance to the industry. Attendant news coverage told the story in dramatic fashion of the plans and problems of the industry.

A number of technical papers were presented by industry representatives that were of profound interest to the delegates, but which from their very nature, received little attention from the public. Many ideas of real value were developed which will help to meet everyday operating problems.

Much criticism was laid upon the type of community traffic planning which persists in supporting plans that only draw more automobiles into congested areas instead of concentrating on the idea of moving people.

This last theme, incidentally, that of moving people rather than vehicles, could be said to be the dominating theme of the convention. And it is hoped that some of this sound thinking so well expressed will have its effect on the local authorities who do our traffic planning.

COURTESY

Courtesy continued to be an important word in operations during 1953. Every effort has been made to give passengers as pleasant a ride as possible, with courteous attention by operators and traffic men. Success of these efforts can best be shown by the following figures of our Courtesy Club operators and those operators who are entitled to wear the Courtesy Emblem.

In order to become a member of the Courtesy Club, an operator must receive a letter of commendation from a patron, telling of an act of courtesy. In order to qualify for the Courtesy Emblem, an operator must have received three or more such commendations.

The following data shows the progress which has been made:

Number of operators who are members of the Courtesy Club	Percent to total number of operators	Percent by which 1953 exceeded 1952
1418	87%	2%
Operators eligible to wear Courtesy Emblem		
836	51%	7%

1953 TAXES

	TOTAL	FEDERAL	STATE	COUNTY	CITY
Property Taxes..... (1) \$465,726.53	\$	\$		\$162,726.53	\$303,000.00
State Corporation Franchise Tax	113,674.80		113,674.80		
Motor Fuel Tax..... (2) 320,445.30		82,992.35	237,452.95		
Gross Receipts Tax.....	29,419.59		29,419.59		
Vehicle Licenses.....	130,469.00		130,469.00		
Operators Licenses.....	1,690.00				1,690.00
Franchise Taxes	483,178.05			1,556.51	481,621.54
Social Security Taxes	162,317.78	162,317.78			
Unemployment Taxes.....	26,183.59	26,183.59			
Other Taxes.....	2,047.31	1,148.27	572.46		326.58
Provision for Federal Income Tax	1,492,966.54	1,492,966.54			
Total	(3) \$3,228,118.49	\$1,765,608.53	\$511,588.80	\$164,283.04	\$786,638.12
Percent to total.....	100%	54.69%	15.85%	5.09%	24.37%
Per Share of Common Stock Outstanding	(3) \$3.03	\$1.66	\$0.48	\$0.15	\$0.74

(1) Includes estimated \$303,000.00
L. A. City and L. A. City School Taxes

(2) State & City Sales Tax included in fuel cost
(3) Includes Payroll Taxes

MONORAIL

The monorail has been the subject of much discussion and promotion for many years. The Monorail Engineering and Construction Corporation and an affiliated company have been particularly active in the Los Angeles area for some time. The first is concerned with the actual construction and the second was organized to promote the idea.

Representatives were successful in getting the 1951 Legislature to approve a bill which created an agency authorized to construct a monorail line from San Fernando Valley, south to the City of Long Beach. The route was restricted to an area eight miles wide, which extended four miles on each side of the Los Angeles River bed, since the proponents at that time stated that they intended to construct the monorail along the river bed. The bill exempted the authority from many of the taxes the Los Angeles Transit Lines pays, but afforded a measure of protection to the Company and other established transit operators in the area by making it subject to the same type of regulation of the Public Utilities Commission of the State of California, with respect to routes and related matters.

During the 1953 session of the Legislature attempts were made to eliminate this protection and to make the operation completely tax free. These efforts failed. There were charges that local transit companies opposed the development of rapid transit and were intent on keeping the public from having it.

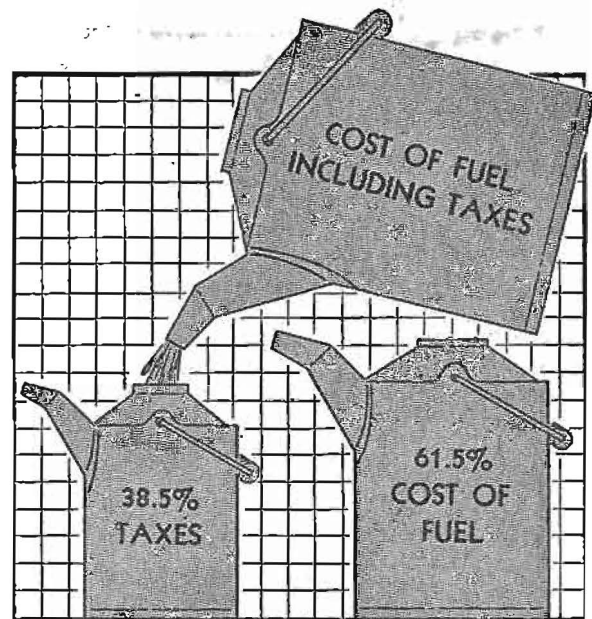
The Los Angeles Transit Lines did not oppose the monorail promotion as such, believing that the facts as they become known will control in such matters.

The changes sought would have permitted the authority to enter into any type of passenger transportation business on a tax-free unregulated basis and therefore free to compete with an established operation whether or not any rapid transit facility should ever be shown feasible.

This the Company opposed and feels every right thinking citizen would do likewise.

LITIGATION

During 1953 the State Highway Department brought suit against Los Angeles Transit Lines to require the Company to remove tracks from Grand Avenue to make way for freeway construction. Litigation as to the rights and obligations of the parties continues before the courts.



FREEWAYS

"Another Freeway For Your Safety." When you see this sign, you see both a new problem and a new opportunity for Los Angeles Transit Lines.

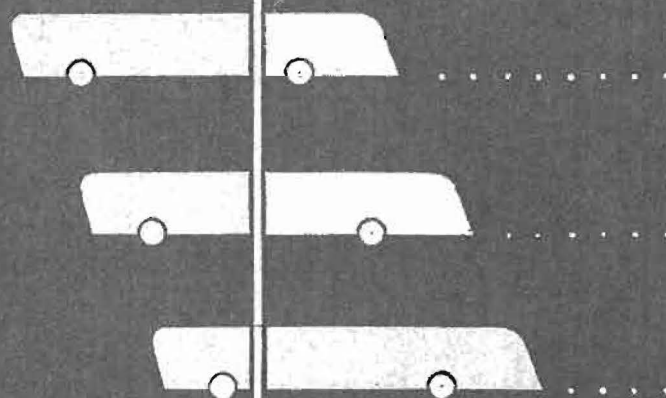
The problem arises in the fact that in construction of the freeways the travel habits of thousands of people change; the freeways also bring about many changes in the distribution of population, business and industry. Densely populated areas, for example, the area just west of downtown Los Angeles, lose thousands of residents and they move to outlying areas. Business offices, stores and factories choose new locations conveniently close to the new thoroughfares, with resulting changes in the travel pattern of employees in these enterprises.

Then too, a new freeway may cut across established transit lines, sometimes with the result that service must be rerouted. If it cuts across a rail line, considerable expense is involved in moving the service, and frequently the service is less convenient to the patrons, resulting in increased expense and diminishing revenue.

Thus far, Los Angeles Transit Lines has had little opportunity to make use of the freeways, because the sections which have been completed do not parallel heavily traveled lines. But looking to the future, it is evident that the freeways may give us an opportunity to offer reduced travel time to a greater number of patrons.

Annual REPORT

1954



Los Angeles Transit Lines

PRESIDENT'S REPORT TO THE STOCKHOLDERS



THE Annual Report of Los Angeles Transit Lines for 1954 is presented in the following pages.

Income was \$24,547,000 compared to 1953's \$25,405,382. Net income was \$1,052,457. Earnings per share of common stock outstanding were \$0.99 which compared with \$1.20 for 1953.

This reduction in the annual earnings per share, considered against the background of an inflationary economy, indicates that transit is not participating as it should in the benefits of such an economy.

The transit shareholder's dollar will not stretch any further than any other dollar to cover today's highly inflated costs of all goods and services.

The national downtrend in patronage continued. Figures published by the American Transit Association reflected a loss of 10.9% for 1954 compared to 1953 for all transit companies reporting in the nation. Los Angeles Transit Lines was slightly better off, with a loss of 8.5% for 1954 compared to 1953.

People seemed determined to travel everywhere by means of their own private automobiles, irrespective of the high cost of such transportation. Several studies by reliable institutions placed the cost of owning and operating the average passenger automobile at a figure in excess of \$1,000 per year. In the face of this fact, automobile ownership in the community was nearly one for every two persons, meaning that there were about one and one-half automobiles per family.

The transit industry was obliged to compete with the most attractive form of private transportation ever offered to the public, yet the industry was regulated and taxed by government agencies as though it were a monopoly instead of one of the most highly competitive businesses in the nation.

These conditions appeared to indicate that prudent management must do two things; increase the fare for those using transit service, and make substantial economies in the cost of operation.

An application was filed to increase fares on July 9, 1954, to cover increased operating costs. Included were raises under a labor contract signed shortly before that time in order to avoid a threatened strike, which would have been costly to the whole community. The order authorizing the new fare structure did not go into effect until March 7, 1955, seven months and 26 days later and was not sufficient to cover additional expenses.

The one-zone cash fare was increased from fifteen cents to seventeen cents, but the price of the reduced rate token remained the same, seven for one dollar, so the rider now has more incentive to use the token. The zone fare was increased from five cents to six cents. The school fares remained the same.

In an effort to offer an improved and at the same time less costly service, the

Company filed an application to convert several street car lines using the oldest type of rail equipment to more modern, curb loading buses. This conversion would have expedited work on the Harbor Freeway, which intersects some of our rail lines near Santa Barbara and Grand Avenues. This application had substantial popular support. A public opinion study indicated a preference for the buses in the ratio of about sixty to forty per cent among riders on the affected street car lines and in the ratio of about eighty to twenty per cent among patrons on comparable bus lines. Representatives of community organizations in all the affected areas appeared to support our application.

Testimony was introduced to indicate that the proposed service would be faster, more frequent, safer, quieter and in every respect superior to the service it would replace. Moreover, the conversion would be a step toward placing the company in a position to adapt its service to the freeways as they are constructed.

The Company purchased one hundred new buses of the most modern type, fully expecting official concurrence in its plans, which would have resulted in the retirement of approximately \$11,000,000 of rail properties.

The State Public Utilities Commission granted our request, but the City Board of Public Utilities and Transportation, after lengthy and costly hearings which were largely repetitious of the state hearings to which the city had been a party, had yet to grant permission to make these service changes up to the moment this report was prepared.

Management considers that its responsibilities to the public make it necessary to make a frank statement of these facts.

While the average local family spends upward of \$1,500 a year for automobile transportation, the statement is still made that the small increase in the cost of public transportation is pricing this service out of the customer's reach. Those who have ceased to patronize the system, for the most part have turned to the private passenger automobile, which is much more costly. Despite repeated public statements to the contrary, the increase in fares has not been the major factor in the loss of patronage.

It must be considered that the increase in the cost of transit rides is influenced by the same inflationary factors that raise the cost of other goods and services.

There is some encouragement to be found in the fact that a number of responsible organizations have recently expressed an interest in the plight of the transit industry and are lending an effort to eliminate discriminatory fees and taxes now being paid by the transit industry, which must necessarily be passed on to the riders.

Your management has done its utmost to prevail upon other responsible community organizations and leaders, both in and out of public office, to consider the facts, but the experiences of the past years, which have been but briefly outlined here, indicate that the educational program is far from complete.

Management will continue to endeavor to persuade the numerous regulatory and other official bodies that there is a real need for a better understanding of the transit problems and for elimination of delay in reaching decisions on matters affecting the operation of the company which is under their control.

The Company is grateful to the employees, and private citizens outside the company's ranks, who have worked diligently through this difficult year to help us fulfill our obligations to provide the community with an adequate and economical transit service.

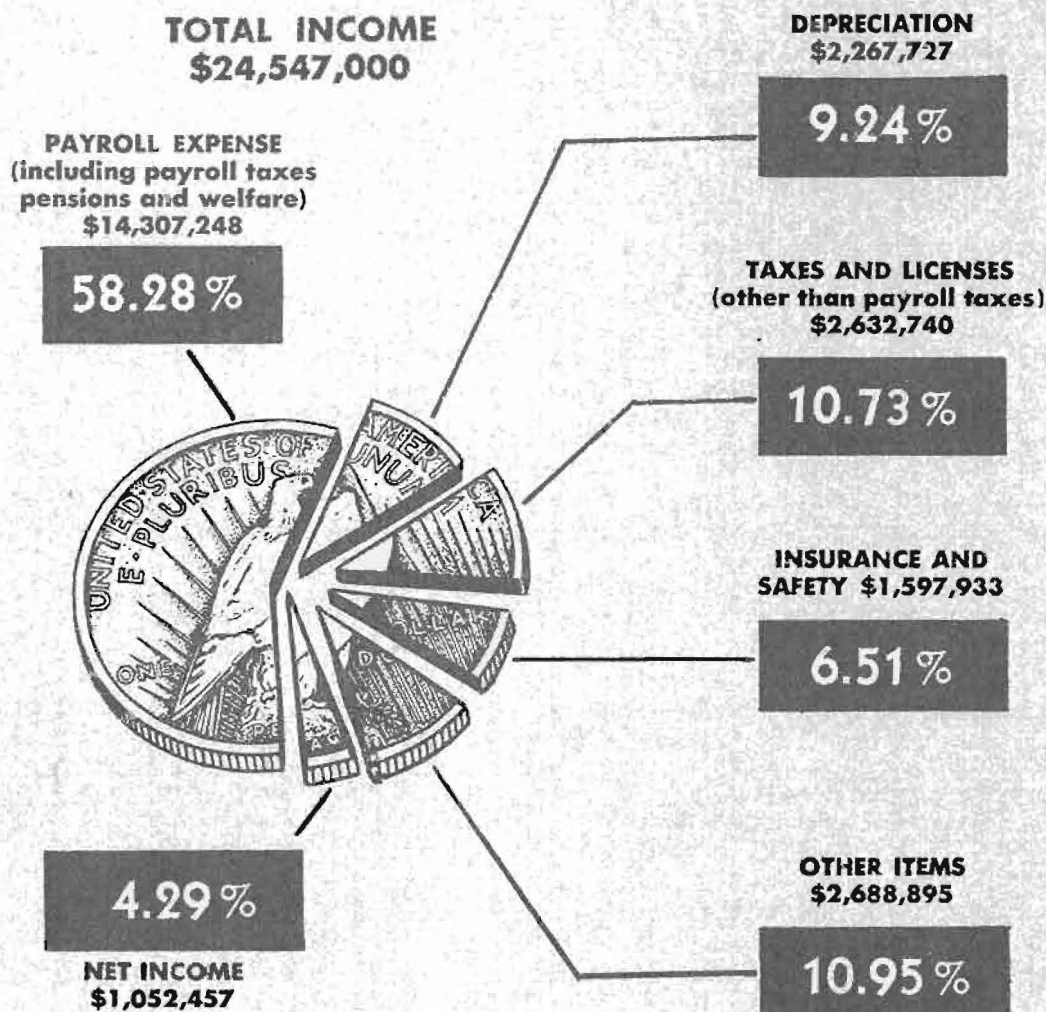
E. C. Hong

President





Division
of the
1954 Dollar



Service Changes

THIS year 1954 could be termed a year of preparation, wherein the talents of the Planning, Scheduling and Engineering Departments were put to use in preparing for a conversion of six major transit lines from street car to bus operation.

The Company on July 9, 1954, presented an application to the regulatory bodies for permission to convert Lines 5, 7, 8, F and portions of Lines 9 and W from rails to buses.

Of great importance in the record of the year's operations was conversion of Line V, a well patronized crosstown service, from the old high-bodied car to the P.C.C. (streamlined) type vehicle. These streamlined street cars became available when a portion of Line R was abandoned because we render an alternate service to the area. With the conversion on Line V we were able to inaugurate Line 23 to provide more service to the Central Manufacturing District.

Lines 31 and 32 were combined and the new line was also extended to better serve another manufacturing district.

Line 63 Southgate and Line 51 Hollydale, were combined and extended to serve the expanded polio facilities at Rancho Los Amigos.



Selling Service

SELLING transit to a public whose basic desire is for private automobile transportation is a never ending task. And even though the Company is limited as to promotional expenditures, progress has been made in our merchandising.

Concentration has been made at the point of sale—the focal point of our public relations—the front of a streetcar or bus and the operator who is the Los Angeles Transit Lines to the public.

The Courtesy Club, established in 1948, of which an employee becomes a member when a commendation is received regarding his deportment, now has a membership of 1401, 87% of the 1594 operators. Honor members, those having three or more commendations, number 843 or 52%.

In 1954 a contest to choose the Operator of the Year was introduced. Operator Robert E. Braum of the West Adams-Temple bus line has been chosen as Operator of the Year for 1955, and has received considerable publicity in the public press and on television, reflecting credit upon the Company.

During the year the telephone information service was expanded after a survey of incoming calls which showed an average of 1442 calls requesting service and schedule information each week day.

Timetables are continually distributed on lines with long headways, route maps are placed at strategic points, public speakers continued to carry our story to service clubs and a news broadcast over a popular radio station daily tells the advantages of transit traveling.

A take-one folder is prepared for the traveling public and carcards are posted publicizing special events, which will attract transit riders. Promoters of these events, in turn, urge their patrons to ride transit.

Community Cooperation

MERCHANTS, civic groups and Chambers of Commerce have been cooperative in helping the Los Angeles Transit Lines to solve mutual problems. During the hearings for the planned conversion of six lines from street car to rubber-tired transit, many of these groups sent representatives to testify in favor of the changes.

The Token Refund Plan, wherein merchants pay a part of their customer's fare, just as they validate parking tickets, received an impetus recently when a leading downtown store adopted the plan on a long range basis.

The Time Lag

PECULIAR to an industry attempting to do business under strict control of regulatory bodies during a period of upward spiral in business economy is the "Time Lag"—the time between the date an application is filed with these bodies and the effective date of adjustment.

This "Time Lag" has a strangling effect upon a transit company, especially when relief is needed in the way of fare adjustments to compensate for increased wage and material costs already imposed.

The table below lists dates of applications for fare adjustments (usually following effective dates of wage increases) the dates of decisions and the effective dates.

Application Number and Date Filed	Commission's Decision Number and Date	Date Fares Effective	Time Lag
27487 5/6/46	39303 7/31/46	8/21/46	3 Mo. 15 days
27487 6/20/47 (1st Suppl.)	41150 1/19/48	2/1/48	7 Mo. 11 days
29448 6/21/48	42201 11/3/48	11/21/48	5 Mo.
32335 4/20/51 (amended 8/17/51)	46618 1/4/52	1/24/52	9 Mo. 4 days
33317 4/16/52	47830 10/14/52	11/3/52	6 Mo. 17 days
34415 6/2/53	49329 11/10/53	11/30/53	5 Mo. 28 days
35601 7/9/54	51110 2/15/55	3/7/55	7 Mo. 26 days

Accident Prevention

THE progress of accident prevention on this property has shown remarkable results, with each year better than the prior year. And each year brings more automobiles, heavier traffic and greater accident potentialities.

The year 1954 witnessed an overall reduction in traffic and passenger accidents of 2.5%.

The savings on accidents, however, are partially offset by increased costs in settling claims. Repairs to vehicles, payments to witnesses in court and the trend towards higher awards given by jurors are factors which add to increases in cost.

Maintenance Combined

ALTHOUGH the maintenance of transit equipment and property is of a routine nature, the inspections, repairs and overhaul based upon proved preventative maintenance procedures, the Company continues to strive toward greater efficiency and more rigid economy. Concurrent with the plan to convert a number of street car lines to bus operation came the decision to combine the automotive and street car maintenance departments into one unit. It was found that with fewer street cars to be operated, there was no longer need for two separate maintenance departments.

During 1954 thirty-three of our older type buses were rebuilt, this being a continuation of a program started in 1950.

Automation

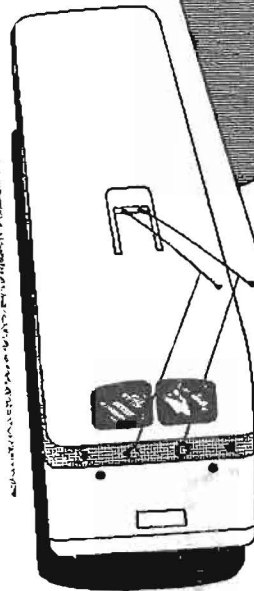
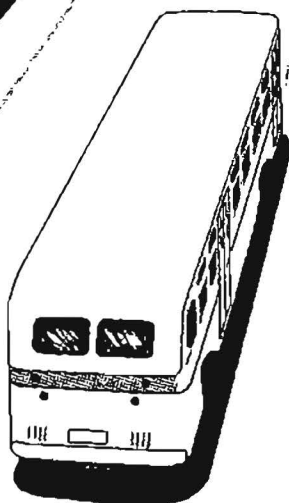
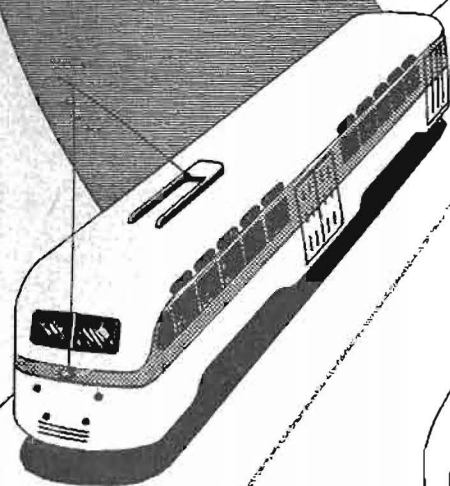
THE Company during the past several years has made an extensive study and application of the automation of clerical work with costs being limited to savings. The wisdom of this limitation is established by the results.

Today, the most modern mechanical and electronic data processing equipment, justified by our size, is being used. The Company is now running most of its voluminous payroll and accounting jobs on these machines and we now possess the experience and machine capacity for further expansion. Plans for application of new techniques to various problems are in process and the Company feels that it will enjoy the advantages of future developments in the art of record-keeping.

1954 Taxes

	TOTAL	FEDERAL	STATE	COUNTY	CITY
Property Taxes	(1) \$446,985.40			\$156,177.40	\$290,808.00
State Corporation Franchise Tax	102,604.58		\$102,604.58		
Motor Fuel Tax	(2) 368,963.23	\$83,527.21	285,436.02		
Gross Receipts Tax	18,707.96		18,707.96		
Vehicle Licenses	151,522.00		151,522.00		
Operators Licenses	2,671.50		839.00		1,832.30
Franchises Taxes	460,986.53			1,473.34	459,513.19
Social Security Taxes	212,057.60	212,057.60			
Unemployment Taxes	26,354.35	26,354.35			
Other Taxes	3,582.63	3,113.65	133.68		335.30
Provision for Federal Income Tax	1,076,716.03	1,076,716.03			
	<u>\$2,871,151.81</u>	<u>\$1,401,768.84</u>	<u>\$559,243.24</u>	<u>\$157,650.74</u>	<u>\$752,488.99</u>
Percent to total	100%	48.82%	19.48%	5.49%	26.21%

Annual Report



1955

LOS ANGELES

TRANSIT LINES

SAFETY
COURTESY
SERVICE

PRESIDENT'S REPORT TO THE STOCKHOLDERS

THE year 1955 was crowded with events of importance to the company.

Income was \$21,238,777 compared to \$24,547,000 for 1954. Net earnings were \$979,717 compared to \$1,052,457 for 1954. Earnings per share of common stock were \$0.94 compared to \$0.99 for 1954.

In regard to earnings some reference should be made to the fact that a change in procedure resulted in a reduction in depreciation expense. This change was made following two decisions of the California Public Utilities Commission in which the Commission indicated that, for rate making purposes, it was relying upon the "remaining life method" presented by its staff.

Outstanding events of the year in the company's experience included a costly 35-day strike, a spirited public discussion of a plan advanced by the Los Angeles Metropolitan Transit Authority to acquire this and other privately operated transit companies in the area to form the nucleus of an integrated service and the successful consummation of a program of service improvement involving conversion of several lines, replacing the oldest type of rail equipment with modern busses.

As of March 7, 1955, the State Public Utilities Commission authorized a nominal adjustment in fares in response to an application filed July 9, 1954 for the purpose of obtaining some measure of relief to compensate for wage increases granted shortly before in a successful effort to avoid a threatened strike. The effect of the March 7, 1955 fare adjustment was to leave token fares where they had previously been fixed, at seven for one dollar, or 14-2/7 cents, but to increase the cash fare from 15 to 17 cents, which had the practical effect of further encouraging use of the reduced rate tokens and this was of little benefit to the company.

Before the actual beginning of hearings on the company's application for fare adjustment, the Commission indicated that it desired that the company make known any plans for service changes. Accordingly, the company applied for permission to convert several rail lines using the older type of rail equipment to modern, curb loading busses, an application that enjoyed wide community support from riders, owners of property and business establishments on the affected streets.

The State Public Utilities Commission granted permission to make the service improvements.

In regard to the fare structure, the Public Utilities Commission indicated that the rates made effective on March 7 would be subject to review in the light of the company's experience after making proposed changes from rail to bus service.

Final permission to make the proposed changes did not become effective until May 22, 1955, just nine months after the application was filed.

Since that time substantial improvements have been noted on the affected lines, in-

PRESIDENT'S REPORT

cluding faster running time, improved headways, better safety conditions and the introduction of a limited service on the longer lines. Other sections of the community continue to press for similar improvements, which we hope to accomplish in the near future.

The strike, which lasted 35 days, began on June 19, when the union members ignored the advice of their own elected officers to accept a proposal previously approved after lengthy negotiations. It ended with the signing of a two year contract providing for a graduated series of increases in the hourly scale and other benefits which will add substantially to the costs of operation. An application was filed promptly with the Public Utilities Commission seeking modification of the order defining our fare structure in the light of the long delay in obtaining final approval of the service changes and the increased costs sure to follow signing of the new labor agreement. This application was denied, the Commission, in effect, stating that the company, up to that time, had not yet had time to acquire enough experience under the new conditions.

During the 1955 session of the State Legislature certain proposals were made to amend legislation in regard to the Los Angeles Metropolitan Transit Authority.

By way of background, this state agency was created by the Los Angeles Metropolitan Transit Authority Act, adopted 1951, but it was limited in its operation to a monorail transit system and restricted geographically.

The Authority developed a long range objective bringing all major urban and inter-urban transit lines in Los Angeles, Orange and portions of San Bernardino and Riverside Counties into a single transit system. To obtain the additional powers needed, the Authority caused to be introduced in the Legislature a bill embodying the necessary amendments to the Act.

The Authority, in anticipation of the enactment of such enabling legislation, submitted a proposal for the acquisition of all of the physical assets of Los Angeles Transit Lines as outlined at the last annual meeting of shareholders. The price which was negotiated was based on a formula of replacement minus depreciation. This is the formula used by the Public Utilities Commission last year in fixing the valuation of the transit properties acquired by the City of Sacramento. The plan provided that if revenue bonds were used instead of cash in paying the purchase price that there would be an indenture containing various security provisions for the bond holders, including assurances that the operations of the transit properties would be superintended by competent and experienced executives. These proposals were very carefully considered. The Board of Directors accepted the proposals of the Authority on conditions which will be presented in full to the shareholders and submitted for their approval, in the event the Legislature grants such additional powers to the Authority.

In the meantime, the proposed enabling legislation has been referred to a joint interim committee of the Legislature for further study, along with such other plans and proposals as may be advanced.

It is now generally conceded that private enterprise in the transit industry labors under certain serious handicaps. Among these are discriminatory taxation, repeated demands of employees for higher hourly rates and other benefits and, most of all, by a policy pursued by both public and private agencies of encouraging the trend toward reliance upon the private passenger automobile at the expense of mass transit.

Proponents of the Authority type of operation point out that, with freedom from most taxes and regulation, such an agency should be able to establish a higher standard of transit service.

The San Francisco Bay Area is well along the way toward presenting such a plan to the residents of the Bay area and there is little doubt that more will be heard of this or other similar plans in regard to the Los Angeles Metropolitan Area.

It has been pointed out in previous reports that present management would be per-

PRESIDENT'S REPORT

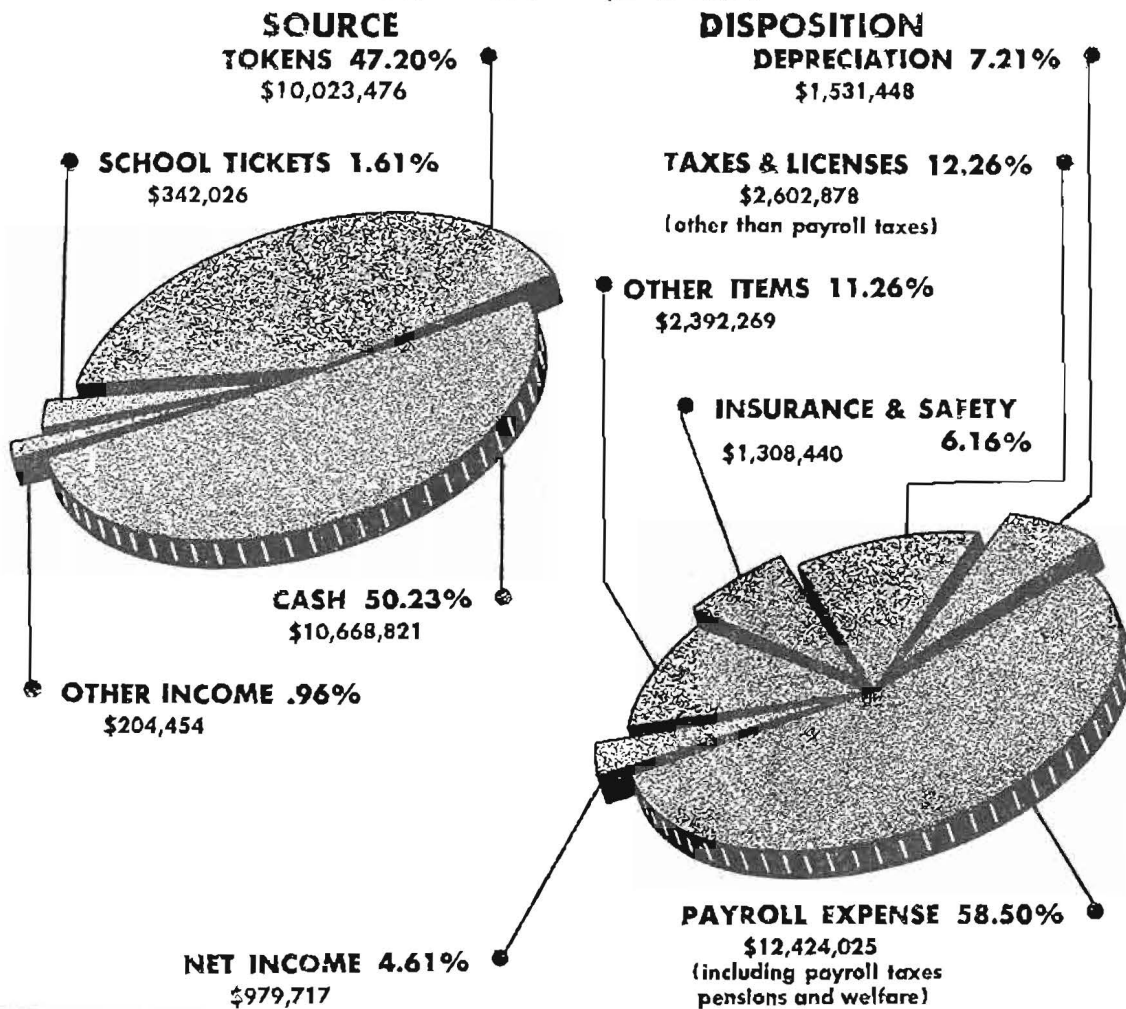
fectly willing to continue to operate as a private enterprise, with reasonable encouragement from legislative and regulatory bodies and other public and private agencies. In the interval, we shall continue to consider it our obligation to shareholders to give careful consideration to any plan that seems to be in their interests.

Management wishes to offer thanks to its loyal employees who shared in the experiences of this eventful year, to the many shareholders who indicated confidence in our ability to care for their interests and to that increasing number of individuals and organizations in the community who show a growing awareness of the fact that mass transit is everybody's problem and can best be solved in an atmosphere of reason and understanding.

E. C. Hong

President.

THE 1955 INCOME DOLLAR TOTAL INCOME \$21,238,777



REFUND 30¢ FARE																																
REFUND 23¢ FARE																																
REFUND 17¢ FARE																																
HUNTINGTON PARK MERCHANTS REFUND CHECK																																
Conditions: When you buy in Hunting- ton Park and your merchant has a refund check, you may use it as a receipt for the fare refund. (If he is to sell, upon purchase of \$2.50 or more, made in the same purchase, refund to you the highest fare shown on this refund check.)																																
FARE REFUND MERCHANTS OF HUNTINGTON PARK																																
<table border="1"> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td> </tr> <tr> <td>9</td><td>10</td><td>11</td><td>12</td><td>13</td><td>14</td><td>15</td><td>16</td> </tr> <tr> <td>17</td><td>18</td><td>19</td><td>20</td><td>21</td><td>22</td><td>23</td><td>24</td> </tr> <tr> <td>25</td><td>26</td><td>27</td><td>28</td><td>29</td><td>30</td><td>31</td><td>*</td> </tr> </table>	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	*
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Huntington Park Fare Refund Plan

IN nearly all business communities of the Los Angeles area merchants have come to the realization that there is a limit to the number of parking spaces close to their stores, and many now refund transit fares just as they validate their customer's parking tickets in order to increase the number of customers.

In 1955 this fare refund program received considerable impetus when a number of merchants as a group in the nearby City of Huntington Park entered into an agreement with the four transit companies serving this popular retail center to refund cash to their customers when a Fare Refund Check, received on a streetcar or bus, was presented.

The Huntington Park plan is still in effect and negotiations have been under way with other business groups to set up similar plans.

Some fifty individual retail enterprises have been refunding transit fares for some time.

Passenger Appeal

CONVERSION of Lines 5, 7, 8, F and portions of Lines 9 and W from streetcars to the latest Air-Suspension type busses will result not only in some economies but also will increase passenger appeal. In the never-ending competition with private automobile transportation, these modern vehicles, which offer greater speed and increased comfort, will help to hold patronage.

Limited rush hour service was introduced on Lines 5 and 49 at the time of the conversion, and later on Line 7. Passenger acceptance of this type of service is good, especially on the morning trips in-bound to downtown. This is due to the travel time saved.

Limited service was established from downtown to Hollywood Park, and a continuing increase in passengers was shown during the recent harness race meet. Because of this heartening experience we have applied for permission to operate over less congested streets circumventing congested areas in order to provide faster, more direct service to Hollywood Park. Special loading facilities being provided at the Park for our vehicles will also help to speed our operation during the coming racing season.

Hollywood Park management has been most cooperative in the development of this improved service to the public.

Maintenance Concentrated

MANY economies are anticipated in the maintenance department due to introduction of 100 Air-Suspension type coaches and the abandonment of a like number of old, wooden-bodied streetcars. Division Five in the southwest area, and Division Three in the northeast, became "all bus" divisions. Old streetcar pits have been filled and facilities redesigned for bus maintenance.

Four electrical substations, three automatic and one manual, were abandoned, as were the trolley wire, poles and rails of the converted lines.

Satisfactory arrangements were made with the cities involved in the disposal of rights-of-way.

Welfare Plans

AS of December 31, 1955, 1,923 employees actively participated in the Retirement Income Plan, 257 employees were receiving retirement Benefits, and 19 were receiving disability benefits.

There were 2,414 employees participating in the Group Life Insurance during the year 1955. \$37,000 was paid out in death claims.

The Medical Plan had 2,135 members during the year 1955. There were 4,343 cases treated during the year. The plan had 219 hospital confinements resulting in 1,905 days of hospitalization.

Science of Safety

FOR the past several years the operators of Los Angeles Transit Lines have made remarkable progress in the field of accident prevention with each successive year showing a decrease in accidents over the year before.

Their record for 1955 shows a decrease of 4.79% in Traffic Frequency Rate (the number of traffic accidents per 100,000 miles travelled) and a decrease of 3.54% in Passenger Frequency Rate (the number of passenger accidents per 1,000,000 passengers carried).

These continuing decreases in accidents, however, have been offset by a continuing increase in claim costs. There seems to be no ceiling upon the inflationary spiral of jury verdicts.

Recognizing this problem, our Safety Engineering Department delved into the relationship between certain types of accidents and jury verdicts. A review of the files of certain injury accidents showed that conflicting medical testimony was often a contributing factor to large judgments. The department immediately embarked upon programs designed to reduce these costly incidents with an energetic "Operation Backache" campaign among operators, the purpose of which was to bring about a reduction in the seven types of accidents which, during 1954, were responsible for more than 30% of the total claim costs.

The success of this campaign is recorded by the fact that a decrease of 13.7% was shown in 1955 compared to 1954 in the number of these seven types of accidents per 100,000 miles of operation.

Automation for Schedules

THE company has for years sought effective economy in the preparation of vehicle timetables. Formerly the schedules were manually prepared and required of the schedule makers a great amount of detail computation and transcription which was not only costly but also limited the individual's output in both quantity and quality. Now, after considerable study and experimentation, a portion of this work has been formulated and programmed on the electronic data processing equipment used by the company in its record-keeping. Vehicles are now being operated on schedules prepared with use of the new methods. The development of the electronic processing of timetables will be continued, as this first partial reduction to practise has yielded economies and indicated that the methods offer opportunities for improving the manner of vehicle operation and the service offered the patrons.

1955 Taxes

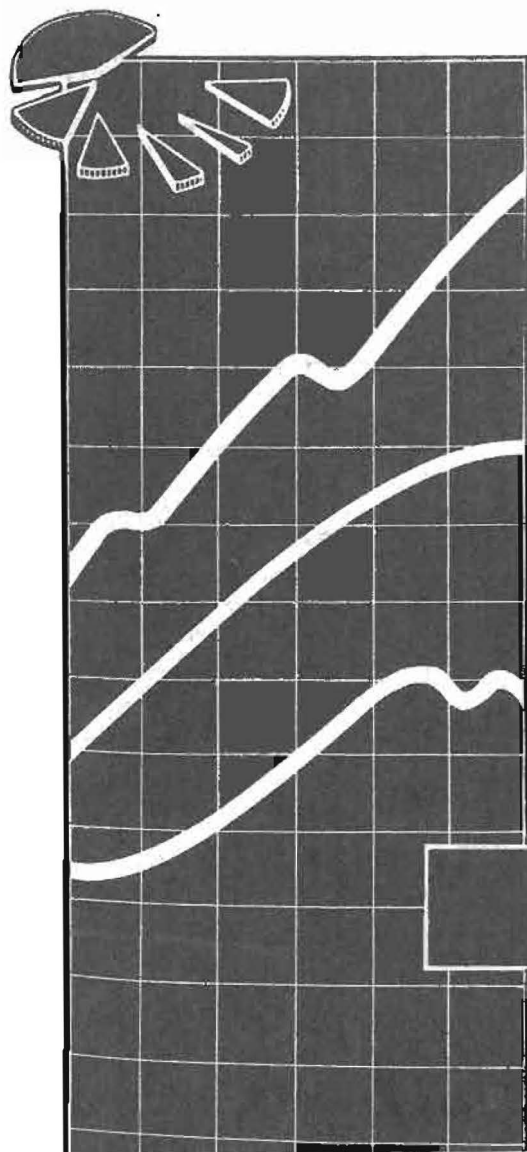
	TOTAL	FEDERAL	STATE	COUNTY	CITY
Property Taxes	(1) 432,533.55			163,681.55	268,852.00
State Corporation Franchise Tax	82,357.95		82,357.95		
Motor Fuel Tax	(2) 368,289.83	83,253.89	285,035.94		
Gross Receipts Tax	1,909.68		1,909.68		
Vehicle License	182,668.00		182,668.00		
Operators Licenses	2,802.50		964.00		1,838.50
Franchise Taxes	412,098.09			1,355.49	410,742.60
Social Security Taxes	205,982.60	205,982.60			
Unemployment Taxes	23,702.89	23,702.89			
Other Taxes	5,329.46	4,505.78	60.25		763.43
Provision for Federal Income Tax	1,114,889.37	1,114,889.37			
	<u>2,832,563.92</u>	<u>1,432,334.53</u>	<u>552,995.82</u>	<u>165,037.04</u>	<u>682,196.53</u>
Percent to Total	100%	50.57%	19.52%	5.83%	24.08%

(1) Includes estimated \$268,852.00
L. A. City and L. A. City School Taxes

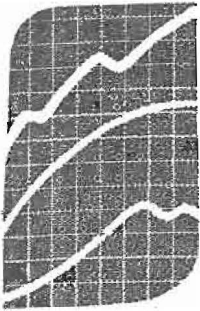
(2) State and City Sales Tax Included in fuel cost

1956

**ANNUAL
REPORT**



**LOS ANGELES
TRANSIT LINES**



REPORT OF THE PRESIDENT

INCOME for 1956 was \$23,161,641, compared to \$21,238,777 in 1955; net earnings were \$1,269,565, compared to \$979,717. Earnings per share of common stock were \$1.23. The 1955 earnings were reduced by a 35-day strike which suspended operations.

As the year ended, public attention was focused upon two programs looking toward the expansion of transit services available to the public in Los Angeles, Orange, San Bernardino and Riverside Counties.

One, sponsored by the Metropolitan Transit Authority, an agency of the State of California, contemplates acquisition of Los Angeles Transit Lines and Metropolitan Coach Lines, the two major transit operations in the area, for the purpose of creating a nucleus for an area-wide transit system. The second, sponsored by the Citizens Traffic and Transportation Committee, seeks appropriation of necessary funds to finance a comprehensive study of all transit and transportation requirements in the area.

Various civic groups evidenced a renewed interest in plans to improve the climate in which the industry might continue to operate as a private enterprise.

Factors that combine to make for this improved climate are improvements in the over-all pattern of traffic management that will enable transit vehicles to move more rapidly, more expeditious and realistic handling of regulatory proceedings and reduction or elimination of discriminatory taxes.

The officers and directors of your company endeavored to regard all these programs objectively, recognizing that the legislature might see fit to adopt either of these two programs or to combine parts of each of them, looking toward the establishment of a single mass transit system to serve the vast urban area developing in and around Los Angeles and the adjacent counties.

In the event that this is not done, then it is hoped that the steps are taken which will reduce tax burdens and improve operating conditions so that better service may be provided.

Every effort has been made to keep finances on a sound basis so that either some public agency will have a solid foundation on which to build an adequate transit service, or present management will be in a position to do the best job possible under private ownership.

Everyone in the organization is aware of the fact that one of the most important elements in attracting patrons is the personal relationship established between riders and those who represent the company. At this time we wish to express appreciation to loyal employees for the outstanding job they have done in persuading people to understand that travel by transit is pleasant, economical and safe.

By Order of The Board of Directors,

President

THE YEAR IN REVIEW

Service Improvements

OUR continuing program of service improvements was furthered in 1956 by the conversion to bus operation of Line W, a major streetcar line which had been equipped with old type street cars, making it possible to extend the line to a connection with an important crosstown line.

This conversion also made it possible for us to extend another operation, Line 8, into a territory served by a shuttle bus line, which was eliminated.

Extensions of Line 6 and one leg of Line 5, over routes formerly served by feeder busses, appears to have received favorable passenger acceptance.

Traffic Control

DURING the year an experiment was undertaken that was designed to improve the flow of traffic in the downtown congested district, by eliminating the interference of vehicles and pedestrians.

This became known as the scramble system and employed a novel signal pattern in three phases, one for north-south vehicular traffic, a second for east-west vehicular traffic and a third for pedestrian traffic in all directions.

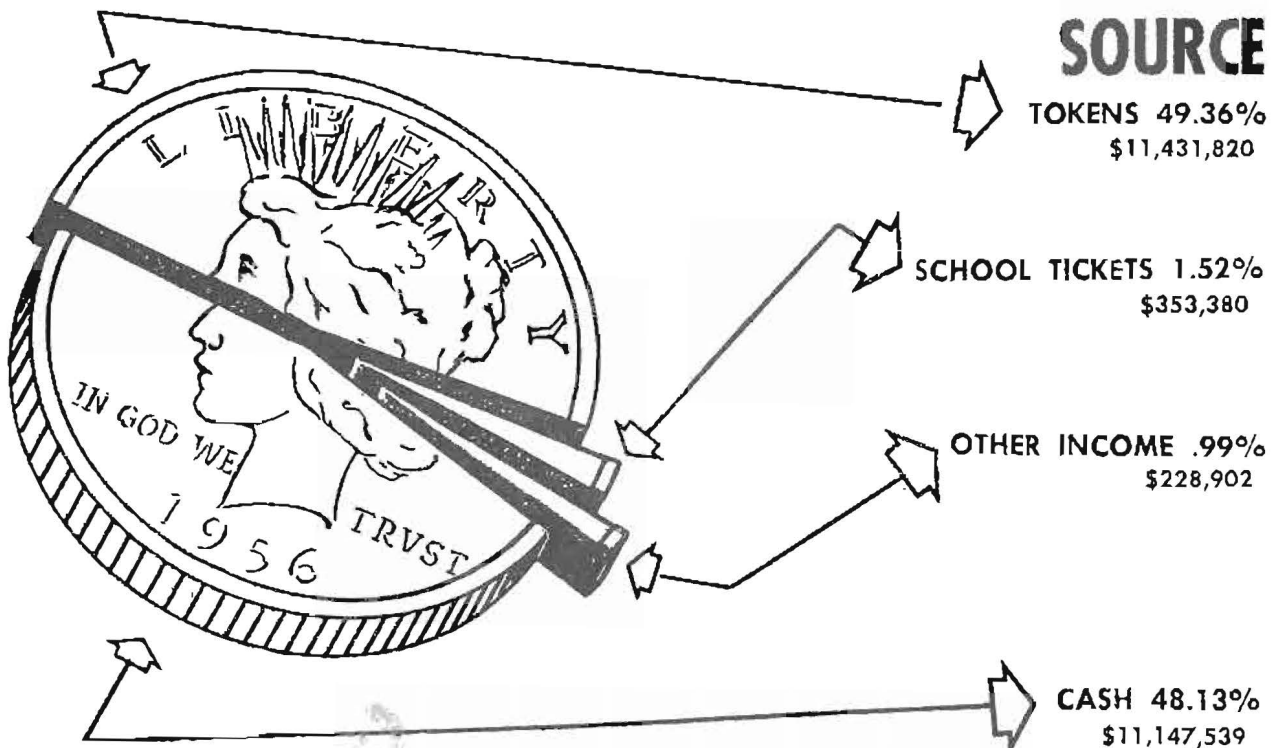
Unfortunately, it resulted in slowing down transit service, particularly in the north-south streets.

As a part of the effort to increase the role of transit in the movement of people in congested areas, it is anticipated that studies will lead to revision in that system and to other changes in traffic control so that transit service can be speeded up.

THE 1956

TOTAL INCOME

SOURCE





ON May 22, 1955 a conversion from street car to bus took place on three of the major lines, and studies of these changes were made during the fall months of that year.

Analysis of these studies, and others, enabled the company to schedule new and improved express service on certain major lines during the year of 1956. Travel time, in a community with increasing traffic congestion, was reduced and passenger acceptance was favorable.

Constantly changing conditions require frequent schedule changes necessary for efficient and economical operation. Mechanized methods have been developed and are now an important tool in accomplishing these schedule changes quickly. This has proven particularly helpful during an unprecedented amount of street repair work and freeway construction when we were able to maintain near on-time performance through affected areas.

Greater use was made of freeways during off-peak hours by dead-heading coaches to keep costs at a minimum.

**Maintaining
On-Time
Performance**

LOS Angeles Transit Lines has a continuous record of regular payments of cash dividends to its shareholders each year since 1946. Because of agreements with banks carrying our equipment loans the dividends were held to a maximum of 50¢ per share until 1952, when they were increased to 62½¢. In 1953 they were increased to \$1.00 and in 1956 to a rate of \$1.40 per share per year.

**Dividend
Record**

INCOME DOLLAR

\$23,161,641

DISPOSITION

PAYROLL EXPENSES 57.54%

\$13,326,412 (including Payroll
Taxes, Pensions and Welfare)

DEPRECIATION 6.81%

\$1,578,345

TAXES & LICENSES 12.98%

\$3,006,208

OTHER ITEMS 11.11%

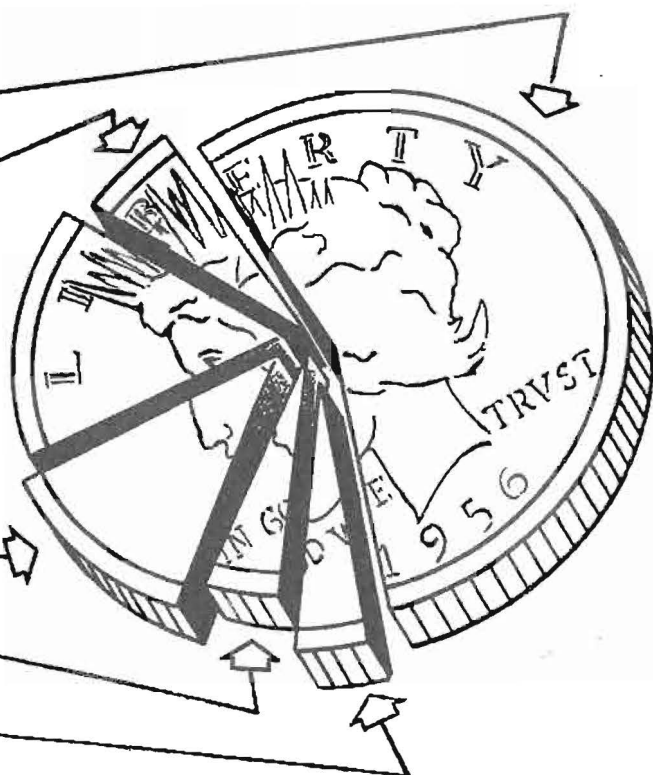
\$2,573,092

INSURANCE & SAFETY 6.08%

\$1,408,019

NET INCOME 5.48%

\$1,269,565





Winner at Hollywood Park

A striking example of what can be accomplished when cooperation is given transit was demonstrated at Hollywood Park during the 1956 racing season. Officials of the track afforded full cooperation to expedite the movements of Express vehicles, known as "Hollywood Park Flyers", which operate between downtown Los Angeles and the track. A special access road and loading facilities were constructed to enable passengers to board and alight within a few feet of the grandstand entrance. The Inglewood Police Department, responsible for traffic, directed other traffic so as to expedite busses. Starting time for racing was adjusted so that equipment required earlier on other routes could be used, with resulting economy.

Track officials have reported that there has been a decline in the percentage of patrons using automobiles and we have noted a corresponding increase in those using transit. It is hoped that similar arrangements can be made at both the Coliseum and at Wrigley Field.

Records and Reports

INFORMATION demanded by taxing, regulatory, and other outside agencies places upon this company a costly burden of record keeping. Over fifty separate reports are regularly compiled, each requiring its own peculiar method of preparation and presentation of financial and statistical information. No internal use of such information is made, nor does much of it bear any connection with the transit industry.

In contrast with the efforts of the company's management which have resulted over the past years in simplification of the internal reports used for control of operations, variation in the volume of business has had little effect upon the costs of preparing these forms and returns and there has been no noticeable desire on the part of the regulatory bodies for simplification.

Progress in Public Information

YOUR company stepped up its merchandising and information efforts during 1956 with encouraging results. A new low cost "Guide for Going Places" pamphlet was published and is being distributed to visitors attending large conventions in the city. The multi-colored map was redesigned into a low cost pocket size guide so that greater quantities could be distributed among possible patrons.

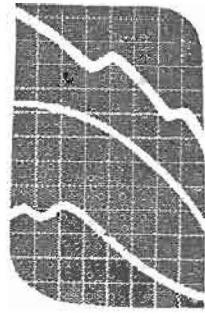
Newspaper and magazine clippings containing transit information have been reproduced and mailed to leading civic minded persons, newspaper publishers and city officials. We feel this continuing effort will help in bettering the climate under which we must operate.

Way and Structures

SAVINGS in time-consuming operations will result from consolidation of all track maintenance materials at Vernon Yard.

All rail facilities in the Northern and Eastern sections of the city have been abandoned, with the result that the remaining facilities may be reached with greater ease from Vernon Yard, in the Southeast area.

Material and equipment essential to rail maintenance had been maintained at Pepper Yard since 1946 for greater convenience in serving the lines in the Northeastern area.



Personnel Activities

WE take pride in reporting that twenty-five operators have earned the distinction of driving a total of 7,500,000 safe miles, and 666 operators now wear safety emblems awarded because they drove between 125,000 and 275,000 miles each without a chargeable accident. Seven hundred and thirty-five operators are members of our Courtesy Club.

The company is very fortunate in the fact that the average length of employee service is 13.1 years.

A shortage of qualified personnel continues to be a problem to industry in the area. The majority of those presently unemployed are those qualified for work in motion pictures, wearing apparel and food processing industries, but lacking in the special qualifications required for transit operators.

We have inaugurated the practice of sending a specially equipped bus into the Los Angeles area so applicants may be interviewed at locations near to their homes. In addition orders have been placed with state employment offices in eleven western states and advertisements have been placed in newspapers outside California.

These and other activities will be continued in an effort to fulfill our requirements.

Wage Adjustments

AS a result of our labor agreement of June 1, 1955, which covered a two year period, an increase of four cents per hour became effective June 1, 1956 and a second increase of two cents per hour became effective December 1, 1956. The latter increase was to compensate for a two point rise in the Cost of Living Index for the Los Angeles area as of December 15, 1956 as compared to June 15, 1956.

THE 1956 TAX PICTURE

	TOTAL	FEDERAL	STATE	COUNTY	CITY
Property Taxes	(1) 418,625.43			158,211.43	260,414.00
State Corporation Franchise Tax	110,483.35		110,483.35		
Motor Fuel Tax	(2) 446,078.93	100,867.32	345,211.61		
Vehicle License	171,453.00		171,453.00		
Operators Licenses	2,231.00		454.50		1,776.50
Franchise Taxes	475,342.53			1,619.48	473,723.05
Social Security Taxes	197,327.27	197,327.27			
Unemployment Taxes	20,418.03	20,418.03			
Other Taxes	1,287.36	402.77	326.28		558.31
Provision for Federal Income Tax	1,380,706.76	1,380,706.76			
	<u>3,223,953.66</u>	<u>1,699,722.15</u>	<u>627,928.74</u>	<u>159,830.91</u>	<u>736,471.86</u>
Percent to Total	100%	52.72%	19.48%	4.96%	22.84%

(1) Includes estimated \$260,414.00
L. A. City and L. A. City School Taxes

(2) State and City Sales Tax included in fuel cost

LOS ANGELES METROPOLITAN TRANSIT AUTHORITY
FINANCIAL REPORT

YEAR ENDED
DECEMBER 31, 1959



LOS ANGELES METROPOLITAN TRANSIT AUTHORITY
FINANCIAL REPORT

YEAR ENDED
DECEMBER 31, 1960



LOS ANGELES METROPOLITAN TRANSIT AUTHORITY



FINANCIAL

REPORT

1961

**LOS ANGELES
METROPOLITAN TRANSIT AUTHORITY**

00441 ✓

FREEWAY FLYER

1962

FINANCIAL

REPORT

CALIFORNIA
0129000

LOS ANGELES METROPOLITAN TRANSIT AUTHORITY

ANNUAL
REPORT
1963

00396

MEMBERS

A. J. Eyraud, *Chairman*
 Fred S. Dean, *Vice Chairman*
 Mark Boyar
 Walter M. Briggs
 N. R. Dumont
 Martin Pollard
 Warden Woolard

OFFICERS

C. M. Gilliss, *Executive Director*
 Cone T. Bass, *General Manager*
 Walter J. Braunschweiger, *Treasurer*
 H. L. Black, *Controller*
 Virginia L. Rees, *Secretary*

Consulting Engineer
 Coverdale & Colpitts

General Attorney
 Gerald G. Kelly



EYRAUD



DEAN



DUMONT



BOYAR



BRIGGS



POLLARD



WOOLARD

Trustee Under Revenue Bond Indenture
 Bank of America,
 National Trust and Savings Association

General Offices

1060 South Broadway,
 Los Angeles 16, California



TO ALL CONCERNED:

The year 1963 was an outstanding one for M.T.A. While fulfilling our primary aim to furnish our customers the best in reliable, convenient transit service we also successfully completed a major modernization program and progressed rapid transit development as far as possible under present California legislative limitations.

To afford you a better opportunity to appraise our operations the following background

information is furnished.

The Los Angeles Metropolitan Transit Authority was created by law as a public corporation of the State of California. This legislation prohibited the use of tax money so that all funds had to be generated from revenue. Proceeds from the sale of \$40,000,000 worth of revenue bonds were used to buy equipment and facilities from private companies and to provide working capital to start operations in March, 1958.

Under terms of the law, all rev-

enues of the Authority are governed by the Revenue Bond Indenture and may be expended only within the provisions of the Indenture, which is designed to extend the greatest available protection to the Bond Holder.

It is within these legal requirements that the performance of M.T.A. during 1963 should be judged.

The 1963 financial statements show that the M.T.A. had revenues totaling \$46,170,000. Operating expenses, interest, and



FROM THE MOUNTAINS . . .

depreciation amounted to \$44,327,000. Gains on sales of properties were \$350,000. Estimated bookkeeping losses involved in the abandonment of obsolescent rail and trolley coach equipment and facilities amounted to \$982,000. There remained \$1,211,000 for transfer to accumulated net revenues.

At December 31, net working capital amounted to \$2,330,000 an increase of \$56,000 over last year. Properties, less accumulated depreciation, increased \$2,997,000



. . . TO THE DESERT . . .

over last year. All other assets have increased \$1,950,000 over the previous year.

\$1,000,000 of our revenue bonds were paid off during 1963. Additional indebtedness on Equipment Trust Certificates at December 31 amounts to \$5,599,000, arising from the purchase of 300 new coaches.

The year just concluded was one crowded with accomplishments. One of the highlights of 1963 was the successful conversion of the five remaining local streetcar lines



. . . TO THE SEA

and two trolley coach lines to modern bus operations. This changeover was accomplished smoothly after a concentrated public information campaign to acquaint the public with the added convenience, comfort and efficiency of the new operation in their particular geographic area.

During this conversion period, 300 new SilverLiners were introduced and brought the total to 705 new ultra-modern buses that have been added to the transit fleet since the inception of the Los

Angeles Metropolitan Transit Authority on March 3, 1958. This represents nearly one-half of the total fleet and an investment in new equipment of nearly \$20,000,000.

Plans were completed in 1963 by the Metropolitan Transit Authority and Greyhound Corporation for the joint operation of a new, ultra-modern bus terminal near the heart of Greater Los Angeles. The terminal, occupying nearly one city block in area, will contribute substantial long range



RESEARCH AND PLANNING OF RAPID TRANSIT

The Los Angeles Metropolitan Transit Authority has long recognized the challenge presented by growing automobile use coupled with a general population explosion. One of the answers to this burgeoning problem is to provide a system so convenient, so rapid and efficient, so economical, safe and comfortable, that the populace will want to use their private mode of transportation only as a means of arriving at key rapid

transit stations.

The members of the Authority and the management of M.T.A. have realized for many years not only the necessity of providing a rapid transit system to cope with the transportation problems of today, but also tomorrow.

Can you imagine what the transportation problems will be like in So. California as little as five or ten years from now, without a rapid transit system designed



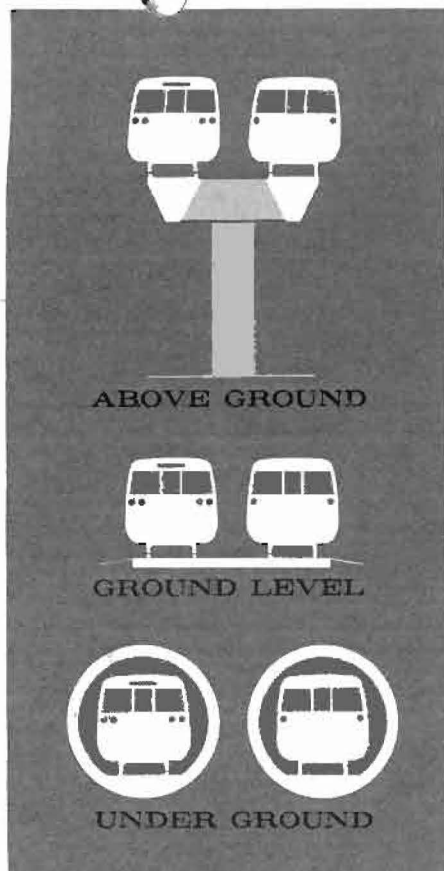
for the population needs of the future. It becomes even more difficult to imagine when you note that the total number of people transported by M.T.A. in 1963 was just over 202,000,000. That's more than the entire population of the United States. How does M.T.A. plan to meet this challenge?

The present M.T.A. system is the first half of a jet-age transit system that will act as a feeder and distributor arm in the master



plan. The basic backbone route has been presented and accepted on the basis of scientific research. The four routes illustrated above are the foundation for a complete system which will one day reach every community in Los Angeles county. You will be able to move uptown, crosstown or out of town at speeds approaching 80 miles per hour.

After studies of all types of systems throughout the world, it

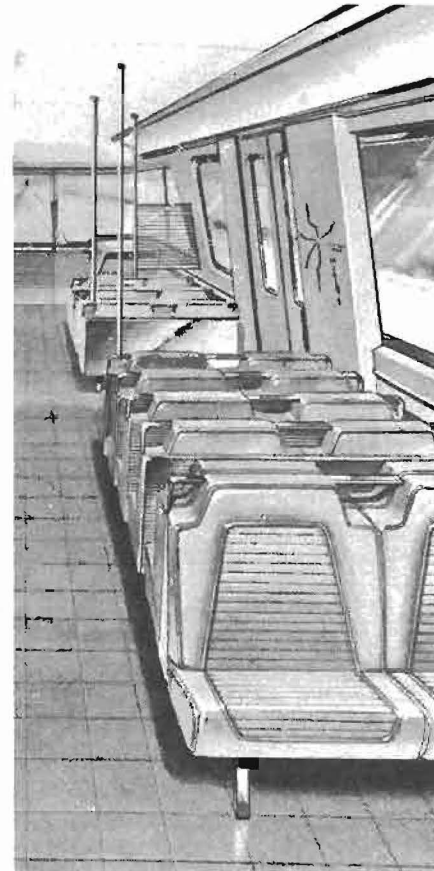


has been proved conclusively that to best serve Los Angeles rapid transit needs, a wide track, supported, twin rail system is required — the same type of system as has been recommended by independent engineers designing rapid transit for other leading cities throughout the world. M.T.A.'s System will be the most advanced in the world and in certain areas will go underground, be on the surface in others and in still other



areas will become a skyline operation.

The design and preliminary specifications of a modern, electrically propelled, streamlined vehicle, which takes advantage of and incorporates all advanced developments and technology, has already been designed by the Authority's project engineer. The interior is styled to provide the ultimate in passenger comfort in seating, air conditioning, and



lighting. Tinted, heat-repellent windows will provide all passengers with a maximum view from the interior. Particular design attention has been given to the suspension and control of any sound or vibration producing action while the car is in motion. An air spring suspension system and a lowered center of gravity will guarantee a smooth, swayless ride. Each vehicle will seat 85 passengers.

The engineers and planners now in the employment of M.T.A. are recognized as the best to be found in the nation. They investigated all systems to find the one practical system that would provide: safety and economy coupled with efficient operation; passenger convenience and comfort; maximum speed; adaptability to future technological developments; and adaptability to future population growths and shifts.

S.C.R.T.D. LIBRARY

**SOUTHERN
CALIFORNIA
RAPID
TRANSIT
DISTRICT
ANNUAL
REPORT
1964**

TO

President Harry A. Faulk and members of the Rapid Transit District Board. 1964 was a year of change and progress for Los Angeles public transportation. The M-T-A, at the direction of the Legislature, turned over to the new Southern California Rapid Transit District an inventory of rapid transit traffic, engineering, and economic information produced by a six-year research program carefully and completely done. With this information, the District knows where and what to build and what it will cost. □ The M-T-A also turned over to the District a well-operated, self-sufficient bus system serving four Southern California counties. □ In the creation of the new Transit District, public transportation became truly a local responsibility as the Legislature replaced the Governor-appointed M-T-A Board of Directors with a locally-constituted 11-man Rapid Transit District Directorate. □ During the year, M-T-A/S-C-R-T-D made substantial progress within the financial limitations that govern its operation (see the statement on rapid transit elsewhere in this report). Revenue bonds valued at \$1,050,000 were retired. An additional reduction of \$1,298,000 in Equipment Trust Obligations was recorded. Salaries and wages amounting to \$26,629,520 were paid. An additional \$3,099,906 was paid for Employee Welfare. □ Two facility expansion programs (in Riverside and in Long Beach) were undertaken to replace leased facilities. In Riverside, the District constructed new maintenance storage and operation facilities at 2450 Mulberry Street at a cost of \$210,000. In Long Beach, the District and the city exchanged property to the mutual advantage of both parties. The District will build, at an estimated cost of \$400,000, a modern divisional facility on the property it acquired. Both facilities have been designed to allow for a future expansion of operations. □ Traffic accidents involving District vehicles declined 12.2% in 1964, while accidents to passengers declined 19.1% resulting in a total overall accident figure 14.1% lower than that of 1963. These accident figures equal safer service to the public and real dollar savings to the District. □ Throughout its six years of existence, the M-T-A was required to conduct all its operations — pay its expenses and service its revenue bonds — solely from fare box revenues. The new Rapid Transit District is still limited to the fare box as its sole source of revenue. Not only is the district operating within its revenues, but it has done so without an increase in the basic fare for over four years, even though operating costs have risen an average of 5% per year. □ The District can be proud that it is the only major transit agency in the country that so far has paid its way from the fare box without tax help. But this has not permitted all the service improvements that might have been desirable. □ A problem is that patronage on conventional bus transportation is declining in the Los Angeles area as it is across the country. The district continually re-schedules its lines to meet changing public needs and conducts extensive advertising and public relations programs to win back former customers and to attract new ones. We have been successful in some of these efforts; for example, the 'Freeway Flyer' program has more than tripled in routes operated over the past six years. □ But experience has shown that modern rapid transit operating at high speeds on its own right-of-way is the ultimate answer to increased use of public transportation. This has been proven in every urban center which has new rapid transit facilities, including among others, Toronto, Montreal, New York and Boston. □ In the Los Angeles area, the future of public transportation depends upon the Rapid Transit District being provided the type of public fund assistance every other major transit operation in the country receives now. □ Without such financial help, fares on the existing bus system must inevitably go up. When this occurs, patronage will decline critically and service will be tailored — that means service will be cut — to match the new level of patronage. □ The Los Angeles community needs and deserves an expanded bus system today and true transit in the future, not decreases in service and higher fares. □ However, if service is to improve and if rapid transit is to become a reality, bold efforts must be made by those of us who are responsible for the public transit operation and by every citizen who is genuinely concerned for the community's growth. □ While 1964 was a year of change for transit — 1965 will be a year of crisis and decision.

C. M. Gillies General Manager

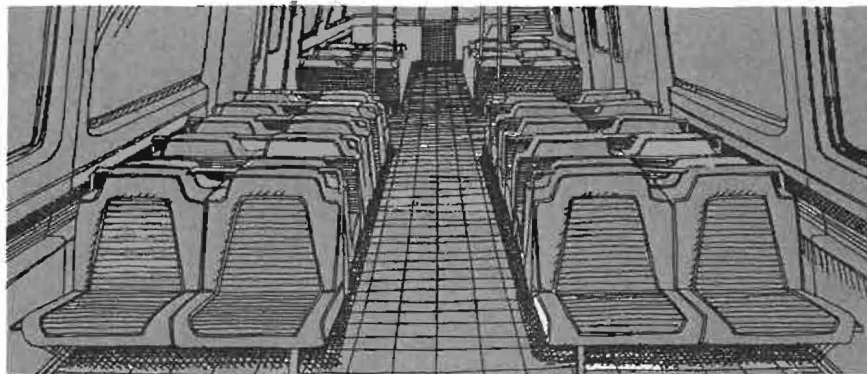


RAPID TRANSIT

A workable program goes to the people of Los Angeles County. 1964 marked the cessation of activity by the Metropolitan Transit Authority... but not before the Authority had gone to the very limits of its powers to lay much of the foundation for one of the most comprehensive rapid transit systems ever conceived for a modern American community. = Major arterial routes for the system had been analyzed, engineering begun and the concept of a dual-rail transit system accepted. Each day, however, the gap between public need and accomplishment widened. = For this reason, the Legislature last year created the Southern California Rapid Transit District, headed by an eleven man locally-appointed Board of Directors, some of whom served on the previous M-T-A Board. The R-T-D was given the authority to carry on the M-T-A's function of maintaining and expanding the present four-county bus system, and to proceed at a greatly accelerated pace with the creation of a rapid transit system. However, the R-T-D was not provided with additional sources of revenue to undertake both responsibilities. The fare box was still the District's only means of income... and the fare box alone would never bring rapid transit to Los Angeles County. = At year's end, the R-T-D's Board devoted its activities to (1) reviewing and strengthening the physical details of the rapid transit system outlined below, and (2) preparing a legislative program to introduce the system and the means for financing it to the people of Los Angeles County for their approval.

THE PLAN FOR RAPID TRANSIT. A system of eight major arteries, totalling 160 miles in length, would link together all of the cities within the County. Grade-separated rights-of-way will connect the communities and cities of West Los Angeles, Long Beach, the San Gabriel Valley, the Central and West San Fernando Valley, the Pasadena area and the Southwest and Southeast sections of the County. = Electrically-powered trains traveling at speeds of over 70 miles an hour will traverse the County at intervals as frequent as every 90 seconds. Subway tubes accessible by street-level stations will underline densely built-up metropolitan areas. In less dense areas, trains will travel at ground-level and on graceful aerial structures in order to take advantage of existing rights-of-way. = Joining these eight vital arteries of mass transit... and, indeed, tying together the entire Los Angeles County area... will be numerous lines of "Feeder Flyer" express buses, augmented by a vast network of new and expanded local bus operations. The overall result of all these coordinated services is that rapid transit will be able to reach into every community, and, indeed, into every neighborhood within the County. = The benefits of such a system in terms of individual needs would fill a booklet twice the size of this one. Paramount is the fact that the R-T-D's program is for rapid transit that moves people, not automobiles. It will not add vehicles to our already-overcrowded freeways... it will take travelers off of them.

THE LEGISLATIVE PROGRAM. A second major concern of the R-T-D Board during the latter part of 1964 was the preparation of a program to bring the benefits and the costs of rapid transit to the attention of the people of Los Angeles County. = As an aid in preparing its legislative program, the R-T-D pursued on a more comprehensive basis the practice of the M-T-A of going to the people. Discussions with business and civic leaders were held throughout the County. Every interested person was invited to submit opinions and suggestions. The cumulative attitude of countless County residents is written into the program for legislative approval announced by the Board in the early weeks of 1965. = The program lists these premises: There is a need for rapid transit in Los Angeles County and a corresponding need for expanded bus service. = Since rapid transit is a local issue, the people have the right to vote on local taxes to support it. Therefore, the people are entitled to know precisely how rapid transit and an improved bus transportation system will benefit them and their specific communities before they are called upon to decide the financing issue at the polls. = Building upon these premises, the Board announced its program, the key points of which are: 1. The California State Legislature would authorize the District to levy for one year only the Collier-Unruh 1/2% in-lieu tax (motor vehicle license fee tax) now on the books. 2. Within two or three years, the people of the County would be asked to vote on a 1% in-lieu tax which will be levied County-wide to help finance rapid



transit. Combined with District fare box revenues, the 1% in-lieu tax would support up to \$850,000,000 in bonds; a figure sufficient to build rapid transit arteries linking West Los Angeles, El Monte, Long Beach and the San Fernando Valley. These funds would also provide expanded feeder bus service to connect the rest of the County. The in-lieu tax would continue to be levied only until the bonds had been retired. 3. Prior to asking the people for a vote on the in-lieu tax, the District will utilize funds derived from the one-time-only $\frac{1}{2}\%$ in-lieu tax levy (approximately \$15 million) to insure the rapid transit system's compliance with the present and future needs of the County and its citizens. The money will be used to: (a) Immediately expand existing bus service; (b) Complete all engineering and development work for construction of the initial four rapid transit lines; (c) Communicate the economic and service benefits of expanded bus service and rapid transit to the people so that they can make an informed decision at the polls.

The logic of the in-lieu tax stems from the fact that the individual motorist stands to benefit directly from rapid transit in terms of reduced congestion, safer driving conditions and a resultant lowering of automobile insurance rates and (should the motorist decide to utilize rapid transit) reduced automobile maintenance costs. Then, too, automobile owners represent a broader tax base than do property owners. More people own cars than own property . . . and the number of car owners coming into our County to live increases every day, thus creating an even broader and more equitable tax base. □ This, then, is where the program for rapid transit stands to this date. The plan is a workable, practical one. Similar rapid transit systems in Toronto, Canada, and Cleveland, Ohio, have already begun to show substantial positive influences on the community-wide economic climate. San Francisco, an area with considerably smaller population projections than ours, has already begun work on its rapid transit system. □ Rapid transit can — and must — become a reality for Los Angeles County. The reason is implied in the startling statistic that over ten million people will reside within the County by 1985. Another statistic is equally as startling: In 20 years' time, over five million automobiles will be traveling on the County's freeways, highways and streets. □ The alternative to this vehicular strangulation is rapid transit. It is, in essence, a way out of the monumental traffic jam predicted for Los Angeles County by transportation authorities. The people of the County have voiced a strong argument against the inevitability of that prediction. They have called for a system of fast, safe, reliable, comfortable, economical rapid transit. The R-T-D stands ready to construct that system.

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Annual Report

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

1965

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT 1060 SOUTH BROADWAY, LOS ANGELES, CALIFORNIA 90015

CONE T. BASS, ACT. GENERAL MANAGER • TELEPHONE (213) 749-6977



Report of the Acting General Manager

To the Board of Directors
Southern California Rapid Transit District

During 1965, total revenues of Southern California Rapid Transit District amounted to \$44,074,000, more than \$150,000 below total revenues of \$44,227,000 in the previous year.

Expenses chargeable to operations, on the other hand, through the development of a number of significant economies, were reduced during the year by more than \$280,000: \$42,313,000 in 1965; \$42,595,000 in 1964.

As a result, the District produced a net operating revenue of \$1,761,000 in 1965, compared with \$1,632,000 in the previous year.

It must be emphasized, however, that non-operational cash demands imposed by provisions of the District's bond indentures (including bond retirement) resulted in a cash deficit for the 1965 year of \$477,000. The District was, nevertheless, able to meet all financial obligations for the year by drawing upon cash accumulated in prior years.

A number of factors contributed to the District's cash deficit in 1965:

Passenger revenue in 1965 was \$42,805,000, a decrease of nearly \$200,000 from the \$43,004,000 received from the farebox in 1964. The sharp drop in patronage during and immediately after the Watts riots accounted for a drop in 1965 revenue of about \$400,000.

The District's 1500 busses carried 137,452,000 passengers in 1965, some 400,000 less than during the previous year. Service, however, was expanded as the number of miles operated rose to 54,129,000 in 1965 compared with 53,755,000 in 1964.

Although the number of District employees was reduced by more than 3 per cent (3770 in 1965, compared with 3899 in 1964), the cost of wages and employee welfare rose from \$30,145,000 in 1964 to \$30,616,000 in 1965 as a result of two contract wage increases during the year. Wages and employee welfare comprise nearly three-fourths of the District's total expenses. Since 1962, there have been seven wage increases growing out of our contracts with the three unions involved. During that same period, it should be noted, there has been no increase whatsoever in the basic fare charged passengers.

In the year just ended, bonds outstanding were further reduced from the original \$40 million to \$35 million as an additional \$1.1 million in bonds were retired.

During 1965, the District continued to improve an already enviable record of safety. Traffic accidents involving District vehicles were reduced 10.1 per cent and accidents affecting passengers declined 9.8 per cent. The District received a special citation from the American Transit Association for "outstanding accomplishment in urban traffic safety" for its 1965 record.

Maintenance of the physical plant and equipment was continued at the usual high standards. Carrying forward the normal schedule of equipment replacement, 125 new 50-passenger busses were added to the fleet, replacing older coaches which had been driven an average of 700,000 miles each. This acquisition of new equipment represents a cash outlay of \$3,785,000 from the District's accumulated depreciation reserve fund.

Construction of the new operating facilities for the Long Beach-based division has been completed. This new \$400,000 plant, which replaces antiquated leased facilities and will make further operating economies possible, was also paid for from the depreciation reserve fund.

Within the limits of its financial capabilities, the District also carried forward the planning of a mass Rapid Transit system which, together with the freeways and improved and coordinated bus operations, is designed to provide the residents of Southern California with the most economical and effective network of public transportation in the world.

In the face of escalating operational costs which are mounting at an annual rate of some 5 per cent and in the absence, for the past five years, of an increase in the

basic fare charged to passengers, it is felt that the staff of the District has done a remarkable job in finding ways to reduce costs and, at the same time, give the people of Southern California maximum public transportation for their transportation dollar.

In this regard, it should be noted that the District, in providing the principal source of public transportation in its four-county area, is virtually the only major transit agency in the nation that operates without any form of public tax support.

The previously earned cash reserves which enabled the District to compensate for its deficit cash revenue position in 1965 will, it is estimated, be sufficient to carry the District through 1966 and into 1967, despite wage increases already included in union contracts and with additional contract negotiations scheduled during that time.

It is obvious, nevertheless, that the District's financial forecast is negative and that immediate solutions must be found.

The problem is presently being attacked by District staff through continued efforts to: (1) further reduce operating costs and, at the same time, seek new and profitable extensions of service to the public; (2) produce maximum returns from plant and equipment by means of sound application of modern maintenance techniques and controls; (3) develop additional opportunities for efficiency in administrative procedures and deployment of personnel; and (4) within limited resources available, institute an aggressive advertising and merchandising campaign designed to increase ridership and broaden our patronage base.

Realistically, it must be stated that significant additional results from these continued efforts will not likely be sufficient to overcome currently projected cash deficits.

There are, therefore, several apparent immediate approaches to the solving of its financial problem that the District can consider; (1) raising fares; (2) cutting expenses by cutting service; or (3) seeking public subsidy from some source to underwrite losses and make possible a higher level of public transportation. The District staff is presently making detailed analysis of the projected results that could be expected from each of these three basic courses of remedial action.

In summary, despite adverse financial trends, we are confident that sound and feasible ways will be found to reverse the District's financial trend with the result that the public can look forward to continued development of public transportation in the immediate future and to the timely implementation of mass rapid transit plans.

Respectfully submitted,

A handwritten signature in cursive script, reading "Cone T. Bass".

Cone T. Bass
Acting General Manager

June 27, 1966

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Annual Report

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

1966



SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

1060 SOUTH BROADWAY • LOS ANGELES, CALIFORNIA 90015 • TELEPHONE (213) 749-6977

DALE W. BARRATT, GENERAL MANAGER

Report of the General Manager

To the Board of Directors
Southern California Rapid Transit District

Financial Matters

1966 operations produced total revenues of \$44,938,000, an increase of \$864,000 over 1965. Of this increase, \$767,000 represented increased passenger patronage and the balance was derived from advertising and other revenues.

Operating expenses, exclusive of interest and depreciation, totalled \$37,913,000. This was an increase over 1965 of \$890,000. Salaries and wages, employee welfare, and retirement benefits accounted for \$811,000, or 91% of this increase.

After provision for interest, depreciation, and amortization, the net operating revenue amounted to \$1,870,000, approximately \$109,000 more than reported for 1965.

The District disposed of certain properties at a gain of \$174,000. However, similar transactions last year produced \$514,000, so that the final net revenue for 1966, which was \$2,044,000, was \$230,000 less than in 1965.

The flow of cash taken in and paid out during the year's operations is generally controlled by the terms of the revenue bond indenture:

\$1,150,000 was paid out for bond retirements, thus further reducing the District's original \$40,000,000 indebtedness to \$33,850,000. Interest paid on this indebtedness amounted to \$1,965,000.

Adding cash demands for operations (payrolls, supplies purchases, etc.) and required cash deposits for the Depreciation Reserve Fund to the foregoing debt service requirements resulted in cash disbursements of \$179,000 in excess of cash receipts during the year. This cash was supplied from money accumulated in the Operation Fund in prior years.

Administrative Matters

During 1965 the Watts riots resulted in a decrease in reported passengers from the prior year of some 400,000. Passengers for 1966 are reported at 139,806,000 which is 2,354,000 more than in 1965. This increase was achieved partly by extension of lines offering service, although the mileage operated was decreased by 660,000 miles to a total of 53,469,000 miles. Obviously, the mileage operated is closely related to costs, and cuts in mileage are selective so that passenger revenue will not suffer disproportionately.

During the year, a total of 80 coaches costing \$2,190,000, which was paid from the Depreciation Reserve Fund, were added to the fleet although 12 of these actually went into service in December, 1965. Dispositions during the year left our coach fleet at year end at a total of 1,522 as compared to 1,505 in 1965.

There were no individually significant property acquisitions other than property on Maple Avenue acquired in connection with future operations of the downtown station. Approximately \$500,000 was spent from the Depreciation Reserve Fund for miscellaneous equipment and construction, reconditioning coaches, etc.

The number of employees of the District was increased by 43 from 1965 to a total at year end 1966 of 3,813. Increases were required in the transportation function in order to maintain and improve service and in the public information and engineering functions, primarily toward the rapid transit efforts. There were partially offsetting decreases in personnel in other areas, particularly in maintenance.

Also in connection with personnel, agreements covering the period June 1, 1966 to May 31, 1968 were signed with the Amalgamated Transit Union, representing our mechanics, and with Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, representing our clerks.

The District's safety record suffered somewhat during 1966 in that the total number of accidents involving District vehicles increased by 22 or 0.6% and those affecting passengers increased by 52 or 4.7%. While these figures go in the wrong direction, their significance should be measured against the number of miles driven and the number of passengers carried.

In midyear, as a result of various interests in social and economic aspects of southeast Los Angeles, the District entered into a contract with the Transportation Agency of the State of California for the establishment of an experimental bus line on Century Boulevard to be operated under a Federal Demonstration Grant awarded to the State. Under the terms of the contract, the District is to be reimbursed for costs in excess of revenues and compensated for any diversions of patronage.

At the direction of the Board at the end of November, when it was determined that revenues, without a fare increase, would be insufficient in 1967 to satisfy the requirements of the District bond indenture, requests were addressed to the City and County of Los Angeles asking for public subsidy.

Rapid Transit Matters

With the passage of Senate Bill No. 2, the District was finally assured of the money to engage in preliminary engineering toward the ultimate financing and construction of a rapid transit system.

A budget was adopted contemplating total expenditures for these purposes amounting to \$6,036,000, of which \$3,900,000 is to be furnished through the State of California (Senate Bill No. 2) and the balance, hopefully, from federal grants of matching funds and from other sources.

An application under Section 9, Urban Mass Transit Act of 1964 as amended in 1966, was filed with the U. S. Department of Housing and Urban Development on November 1, 1966 requesting federal grant of \$2,386,000 (local share, \$1,194,000, to be furnished from the \$3,900,000). No federal action was taken on this application up to year end except to assure the District that expenditures made by the District for purposes under the application would not prejudice approval of the application.

The Board then gave direction that first priority consideration be given to planning and engineering involving an airport line if federal funds become available.

The last major actions involving expenditures of the state money were the letting of two contracts in November: one to carry out route planning and preliminary engineering services for the development of a rapid transit system in amount not to exceed \$2,375,000, and one for passenger traffic and revenue studies for development of a rapid transit system in amount not to exceed \$250,000.

Respectfully submitted,


Dale W. Barratt
General Manager

September 29, 1967

Annual Report

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

1967



SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

1060 SOUTH BROADWAY • LOS ANGELES, CALIFORNIA 90015 • TELEPHONE (213) 749-6977

DALE W. BARRATT GENERAL MANAGER

Report of the General Manager

To the Board of Directors
Southern California Rapid Transit District

A marked increase in passenger revenue was achieved, enabling the District to stay above increased costs during the year. Passenger revenues rose \$3,053,000 from 1966 to a total for 1967 of \$46,626,000. To this amount was added \$535,000 of advertising and other revenues, making total operating revenues of \$47,161,000 or \$3,106,000 more than was earned in 1966.

Offsetting increases in operating expenses during 1967 amounted to \$3,008,000, bringing the total operating expenses to \$43,508,000. Accordingly, net operating revenue was up \$98,000 over 1966. After adjusting for \$15,000 increase in interest income and \$111,000 decrease in interest expense and other deductions, the increase in net revenue amounted to \$224,000. This brought total net revenue for 1967 to \$2,269,000.

At the end of 1966 it was determined that revenues would be insufficient in 1967 to satisfy the requirements of the District Bond Indenture and requests were addressed to the City and County of Los Angeles asking for public subsidy. After it was determined that subsidy would not be available in 1967, it became necessary to increase fares to meet the developing costs. Such rate increases, while general, were devised to best accommodate present passengers and perhaps induce additional riding through provision for transfer at minimal charge from interurban to local service and through provision for shopping at nominal or no additional cost to the passenger. Possible savings to passengers were included with the institution of the Monthly Pass and the Senior Citizens Monthly Pass.

Over 95% of the increase in operating expenses, \$2,867,000, arose from greater salaries and wage costs combined with employee welfare. Part of this increase in wage costs arose

from a new two-year contract, effective June 1, signed with the Brotherhood of Railroad Trainmen representing our operators. This contract was considered a fair settlement in the light of the economic situation judged likely to maintain during the period of the contract. The total cost of personnel was increased by the addition of 107 employees, chiefly operators, through acquisition of Pasadena City Lines' and Inglewood City Lines' operations on July 30, 1967. At year end, the District reported 3,917 employees as compared to 3,813 at the beginning of the year.

The operating results accomplished for the year reflect an endeavor to better the service rendered by the District. This was evidenced by an increase in mileage operated over 1966 of 1,367,000 miles making a total for 1967 of 54,836,000 miles. Studies are of course constantly being made of individual lines and operations. Some of the additions to service during the year are the following:

- Line 88 - Establishment of San Diego Freeway Flyer.
- Line 75 - New p.m. school route to service Louis Pasteur Junior High School.
- Line 87 - Expedited service - Los Angeles to Pasadena.
- Line 58 - Reroute in vicinity of Orange County Hospital, account new real estate commercial development.
- Line 3 - Extension on 3rd Street from Fairfax Avenue to La Cienega Boulevard.
- Line 33 - Enlargement of service area along Avalon Boulevard.
- Line 37 - Extension into Ports-O-Call complex in San Pedro.

In addition to service improvements, 1967 was also a year for other improvements. Actually paid from the Depreciation Reserve Fund were \$226,000, used to purchase Pasadena City Lines' and Inglewood City Lines' operations; \$148,000, used to purchase five new buses; and \$312,000, involved in miscellaneous construction and equipment purchases. Also, of course, paid out of this reserve fund was \$1,459,000 which was transferred to Equipment Trust Funds for the payment of principal, interest, and other requirements on equipment obligations. Other than actual expenditures, orders were

issued for 175 51-passenger and 25 45-passenger buses, all air-conditioned, costing close to \$7,000,000. The new division in Pasadena, to cost \$106,000, was started and the new Los Angeles Terminal (Greyhound), primarily to facilitate interurban passenger traffic, was put to use with facilities completed in September.

In cooperation with Los Angeles' decision to construct a "municipal" convention center, negotiations were entered into for the sale of Division 20 property (12th and Georgia Streets) at a price of \$1,200,000. This price has been accepted and when the money is received it will be deposited in the Depreciation Reserve Fund and later used for other improvements in facilities or equipment.

In the same direction, the District also vacated its Macy Yards property about August 1 in order to concentrate maintenance facilities and, more important perhaps, to take advantage of a "higher use" in rental income. At this time, the property is producing annual rental income of \$67,800 and has potential in excess of this amount.

As to District indebtedness, interest of \$1,900,000 was paid on our revenue bonds and \$1,200,000 was used for bond retirement, further reducing the District's original 1958 indebtedness on revenue bonds from \$40,000,000 to \$32,650,000.

* * * * *

Separate from the maintenance of day to day transit service to the public are responsibilities of the District toward development of rapid transit for the area.

During 1967, the State of California, on authority of the legislation enacted in 1966 providing funds for planning, engineering, surveying, etc., contributed \$1,448,000 to the District. The District also received \$714,449 from the Federal Department of Housing and Urban Development toward planning for mass rapid transit in this area.

In connection with this facet of District responsibility, contracts were signed for preparation of program master plan and management control program, for right-of-way appraisals, for economic benefit analysis, for urban mass transportation managerial training, for financial consultants, for urban mass transportation technical study grant (\$975,000 to be contributed by U. S. Department of Housing and Urban Development), and for sundry other services involving the mechanics of information, assembly, and statistical support.

Besides the above contracts required for backup to proper planning, extensive dispersion of information was effected

and accumulation of "feedback" from public and civic-minded bodies was assembled toward production of the Preliminary Report, which was adopted on October 30 in accordance with the requirements of the District Law (Section 30636).

Community reaction to the Preliminary Report was favorable; however, hearings on the Preliminary Report revealed widespread demand for three additional factors to be incorporated in the Final Report. These were (1) financing should not be based primarily on property tax; (2) a more extensive transit system was desired which would add some \$928,000,000 to bring the total estimated cost to \$2,500,000,000; and (3) financing legislation should be sought to obtain a broad base for taxation, applicable to all who would benefit from the advent and maintenance of mass rapid transit.

* * * * *

Looking forward, the successful operations of 1967 leave the District in good financial condition at year end; however, additional and rising costs are anticipated. Costs of supplies and other services are forecast to increase. Labor contracts are to be negotiated at mid-year 1968 with unions representing our mechanics and clerks.

The Southern California Rapid Transit District is almost the only remaining large transit operation in the world supported solely through the farebox. Indications are that the farebox will not indefinitely support this necessary service to the public.

Respectfully submitted,


Dale W. Barratt
General Manager

April 30, 1968

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Annual Report

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

1968



SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

1060 SOUTH BROADWAY • LOS ANGELES, CALIFORNIA 90015 • TELEPHONE (213) 749-6977

Report of the General Manager

To the Board of Directors -- and to all the citizens -- of
Southern California Rapid Transit District

This report and analysis of the 1968 year as it affected the Southern California Rapid Transit District is made from my personal participation in the daily direction of the District's activities during the final two months of the fiscal year.

Thoughtful evaluation of the District's role in the continuing development of public transportation in Southern California during 1968 highlights three areas of deep significance:

- . Expansion of routes and improvements in service produced marked increase in annual passengers, giving added emphasis to the importance of the role that increased public transportation facilities can play in assuring adequate urban mobility.

- . The limitations of financing public transportation from the fare box and by operational economies have been reached; equitable methods of supplementary fiscal support must be determined and applied.

- . For the first time, a bond election was held to finance construction of a rapid transit system, although the required 60 per cent majority was not attained.

Each of these three significant areas of 1968 activity will be examined in some detail in this report, plus the General Manager's evaluation of additional areas of District development to which attention is being directed in the current year and should continue in the immediate future.

1968 Operational Results

Twenty-one major projects for service improvement were undertaken in 1968. These included the establishment of nine new bus lines involving 109 new miles of route; extension of seven existing bus lines to cover 34 additional miles of route; and significant service improvement of five existing bus lines to provide more frequent or more expedited service to passengers.

Legislation exempting the RTD from all but 1¢ per gallon of the state tax on bus fuel, amounting to a saving of some \$700,000 in 1968, made these service extensions financially possible. Providing the new service required use of 27 additional buses and the hiring of 31 additional drivers.

During 1968, RTD buses drove 56.2 million miles in the four-county service area, an increase of more than 1.4 million miles over the previous year. Bus routes, including the new lines, reached an all-time high of 2608 miles (one-way), an increase over 1967 mileage.

Passenger response to the District's efforts to improve and expand service was most heartening. Riders totaled 137,502,000 in 1968 -- an increase of nearly 1.6 million above 1967.

Most importantly, the years 1968 and 1967 both showed a passenger increase, which constitutes a reversal of the chronic passenger decline experienced since World War II. Review of results thus far in 1969 re-affirms this encouraging upward trend. This increase is concurrent with the District's aggressive program of passenger information and advertising.

Some 215 new and modern air-conditioned buses were added to the fleet in 1968, at a cost of \$7.5 million, as part of a program to continually upgrade the transit equipment provided the community.

Other major capital investments during 1968 included continuation of the District's program of installing two-way radios in buses to improve on-time service and, at the same time, to provide instant emergency communication and, in conjunction with silent alarms, help to reduce hold-ups.

Conclusion: Maintaining, improving and expanding the existing bus system to meet the needs of the community is the District's immediate essential responsibility. It is required if we are to serve the interests of our present riders. Equally, it is necessary as concrete demonstration of the District's competence and determination to meet public transportation needs of the area with all available means.

1968 Financial Results

Revenues, mainly as a result of the increase in rates of fare in mid-1967, increased \$2.723 million in 1968 to reach an all-time high of \$49,884,000. Wages and employee welfare costs increased by \$2.031 million in 1968, basically the result of wage increases in both June and December growing out of the union contracts.

The net revenue of \$1.922 million does not include provision for the required retirement of the District's revenue bonds. Additionally, the indicated 1968 results benefited from two non-recurring items: (1) an \$398,000 refund of insurance premiums based on retrospective adjustment of previous years' experience; and (2) federal reimbursement of a part of the expenses of operating Century Boulevard Line 100.

If 1968 revenues of the system had to absorb these items as additional expense, as well as replace state and federal funds for rapid transit planning and development, the revenues would not have met all demands against them. Taking into account the impact of inflation upon the cost of wages and materials, a projection of District financial results of operation for 1969 indicates a deficit of \$3 to \$4 million -- and much higher in succeeding years.

The District was fortunate in 1968 to be able to meet its financial responsibilities. Fare box revenues augmented by the fare increases of 1967 provided mandatory monies for meeting of the year's scheduled reduction of debt on equipment of \$945,000 and the payment of interest on these two types of liabilities amounting to \$1.94 million. Prompt solution of the problems arising from projected deficits clearly must be found if the District is to meet its fiscal responsibilities.

Conclusion: Improvement of our present public transportation system -- even the maintaining of the present level of service -- obviously depends directly upon obtaining outside financial support of the District's bus operation. An adequate public subsidy, commensurate with the collective benefits the entire community receives from the existence of an adequate public transportation system, is the District's number one need.

Fare increases of a magnitude sufficient to meet the obligations will demonstrably result in depriving of service those passengers who may need it most and, by the same token, reducing the substantial contribution that public transportation makes to the economic health of the entire community. Therefore, one of the major areas of activity of the General Manager and other District management personnel during 1969 is to seek appropriate financial support from local, state and federal resources.

1968 Bond Election

The most dramatic event of 1968 for the District was the ballot proposition to provide \$2.5 billion for the construction of a proposed rapid transit system. Although imposition of a

special localized sales tax to finance construction of the proposed system failed to receive the required 60 per cent voter majority, the District can be greatly encouraged by its victory in the long struggle to bring a rapid transit proposition to a vote and, even more significantly, by the substantial support that public transportation received from the voters and many important organizations in the community.

During 1968, preliminary engineering design work for a five-corridor, 89-mile high-speed rail rapid transit system was completed by consultants working under District direction. A Final Report, issued May 1, was broadly distributed and publicized and, after giving effect to changes evolving out of a series of public hearings, became the basis of the November ballot proposition.

The fact that, in an election climate unfavorable to bonding and spending proposals, more than a million citizens voted to impose a special sales tax to build a rapid transit system is greatly encouraging. The rapid transit proposition, in fact, drew a higher percentage of "Yes" votes in Los Angeles County than either of the two property tax relief measures on the same ballot.

Conclusion: Despite widespread recognition that there is great local need to supplement conventional bus service with an advanced form of mass rapid transit, it is clear that the community is not ready to shoulder the full financial burden of such a major public works project at this time. Significant financial participation in the project from the state and/or federal governments appear to be needed prerequisites for ultimate implementation of the program.

During the intervening period until an acceptable ballot proposition can be brought before the electorate, the District must maintain a continuing review of its planning against the evolving needs of the community and advancing technological developments.

Current and Continuing Activities

Several on-going and important projects begun during 1968 or initiated soon after -- merit brief mention here, although they will be more fully and appropriately reported elsewhere as they develop.

Initial action for an exact fare program was begun in 1968 for a two-fold purpose: to expedite service by speeding passenger loading and to reduce threat of robberies by eliminating need for drivers to have cash available for change.

It is expected that this program, with financial assistance from federal funds, will be implemented by early fall, 1969.

A continuing study of the current system of tariffs and fares has been underway for some time. The complexity and diversity of the District's four-county bus operation makes in-depth analysis difficult. We expect, however, before the end of the 1969 year to develop and implement improvements and simplification of fare structures which will, without jeopardizing our revenues, prove more equitable and convenient to our passengers.

Public transportation planning is an essential function of the District, and participation in overall local and regional planning is a major District activity. City planners in all municipalities; county, state and federal officials; and appropriate local and regional organizations generously assist the District in planning functions and responsibilities. And at the same time the District makes its transportation information and expertise available to all responsible jurisdictions.

The District is an active and respected member of the Transportation Association of Southern California and works closely with the Southern California Association of Governments.

It would be most remiss for this report to fail to emphasize the dedication and consistently competent professional performance exhibited by the entire District staff. Too often the community fails to recognize that from severely limited financial resources, the community benefits from a remarkable level of public transportation -- made possible by the talents and the efforts of deeply experienced and practical people.

There are few public functions more vital to urban life than public transportation. Its importance will multiply as populations continue to concentrate. The community can have confidence in the leadership that the Board of Directors of the Southern California Rapid Transit District has evidenced in preparing to meet these major responsibilities.

I am personally challenged by the opportunity to participate in this important service. And I am proud to be a part of the Transit District which, in its staff and in its Board, has the know-how and the commitment to accomplish the task before us.

Respectfully submitted,

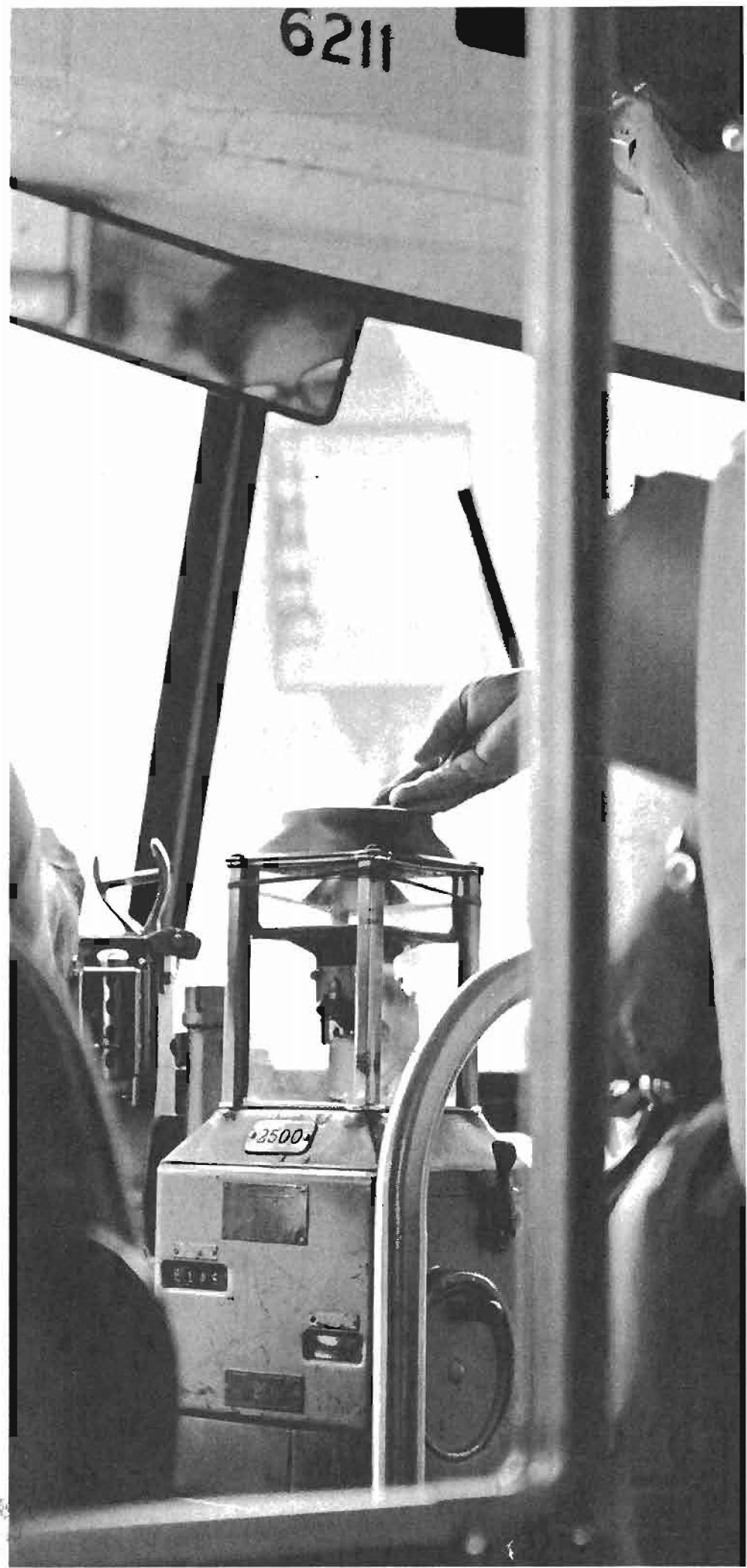

SAMUEL B. NELSON
General Manager

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1969 Annual Report

SOUTHERN CALIFORNIA **RTD**
RAPID TRANSIT DISTRICT



Year of Landmark Transit Legislation

Report of the General Manager



Samuel B. Nelson

From the viewpoint of public transit, perhaps the most heartening occurrence in 1969 was the growing recognition at all levels of government—federal, state and local—of the urgent need to improve public transportation in Southern California.

There was also a broadening-

acceptance by federal and state lawmakers of the economic fact of life that adequate mass public transit cannot be fully realized without a permanent commitment of public funds to supplement revenues from the farebox.

Certainly efficient, economical public transportation should be a matter of primary concern for every American citizen. For while our country is first among nations in the scope and quality of its technology—first to put Man on the moon—we are *last* among modern nations in providing efficient mass public transit for our citizens.

The primary reason for this neglect is lack of continuous, long-term public funding. We are hopeful that this situation can be remedied through meaningful legislative action.

In 1969, the California State Legislature enacted the Lanterman Bill (AB 2136) which allows, on a one-time-only basis, the levy of a one-half cent sales tax in the District for six months, beginning on July 1, 1970. This legislation will also financially assist the eight municipally owned transit operations in our service area. These bus systems serve the City of Commerce,

Culver City, Gardena, Long Beach, Montebello, Pomona, Santa Monica and Torrance.

It should be emphasized that there are 67 other municipalities in Los Angeles County, and nearly 100 cities and communities in the other three counties we serve, that depend entirely on the SCRTD for their local, as well as interurban bus services.

This growing public and legislative concern for improved public transit in California has resulted in an increased number of bills at each session which have as their specific purpose the implementation, improvement and expansion of modern, economical systems of public transit.

Though constituted by the State Legislature as a public agency, we continued to maintain the quality of bus service in our area by means of sound management, administrative and operating techniques utilized by progressive business entities in the private sector.

Financial Summary

During the year, revenues increased to an unprecedented high of \$50.1 million.

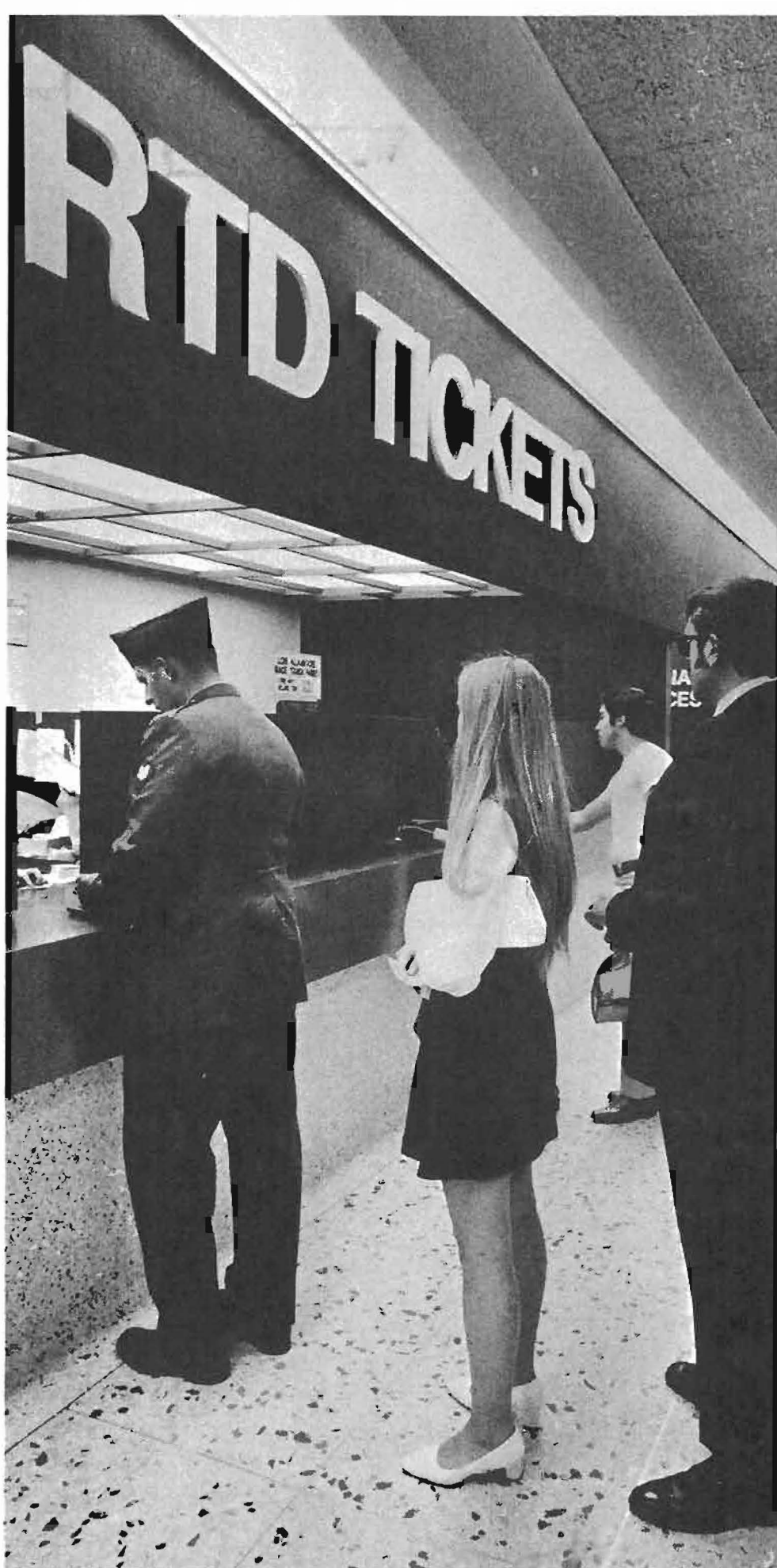
—up \$278,000 from 1968—this despite the fact that, nationally, urban transit ridership was down an average of 4.89 percent. Wages and employee welfare costs increased by \$3,714,700, the result of union contract wage and benefit increases in June, also other operating expenses were up \$1,093,300.

These were countered by increased interest income of \$145,600 and decreased interest expense of \$111,900. Net deficit for the year totaled \$1,565,600. The comparable figure for 1968 was a net revenue of \$2,706,100 from which a deduction for write-off of rapid transit development costs, less land sale gain, was taken in the amount of \$1,077,600.

Review of Operations

Throughout the year, modest improvements and extensions in service and routes were carried forward on a limited basis in the hard light of sharply increased operating expenses.

On March 30, the District assumed total operation of Century Boulevard Line 100 from the State Transportation Agency, which had provided service since July, 1966 as part of a test program of the relationship between public



conveniently located Customer Service Offices sell Monthly Passes, tickets and tokens to customers in RTD's four county service area.

transportation and employment opportunities.

The District considers Line 100 to be of primary importance to citizens of the communities it serves, since it links the South Gate-Lynwood and Watts-Willowbrook areas with Los Angeles International Airport and connects with heavily traveled north-south lines of the SCRTD.

Other extensions: Line 136 was extended from Whittier Boulevard to Beverly Boulevard along Durfee Avenue in the City of Montebello. Line 133 in La Puente was re-routed and extended for customer convenience in traveling to and from a new shopping center in this important area.

Exact Fare Program: A Success Story

Begun in October, our Exact Fare Program was initiated because of growing concern on the part of the District for the protection of passengers and employees from robberies and assaults. Reasoning behind the program was fundamental. Remove all cash from Operator control and the motivation for robbery is eliminated.

Passengers must now have the exact fare in change or tokens for deposit in a locked farebox which is attached to the bus and which cannot be opened by the Operator. Tickets and prepaid monthly passes may be used for purposes of paying the exact fare. Operators no longer carry money or make change.

This program, a major departure from past operating procedures, required public knowledge, acceptance and cooperation to succeed. A comprehensive and ongoing public information program mounted well in advance of the Exact Fare Program's introduction was instrumental in obtaining public understanding and acceptance. This program communicated the District's reasons for initiating the program and how it would benefit our customers in terms of their personal safety, better service, easier boarding, and reduction of accidents that may formerly have been related to the Operators' change-making activities.

The Exact Fare Program has clearly accomplished its major goal: the elimination of bus robberies and assaults. In the period October 12, 1968 to April 1, 1969, there were 156 robberies on SCRTD vehicles. Since the program's

inception on October 12 and through April 1, 1970, there have been only two (2) such incidents.

Record High In Prepaid Fare Sales

Sales of prepaid Monthly Passes had shown a steady but gradual increase since their introduction in 1967. However, with the introduction of the Exact Fare Program and Fare Zone Stamps for multi-zone rides, sales of passes rose dramatically from 40,754 in September to 50,617 in October and 53,461 in November, an increase of 31 percent in only two months.

Token sales established a similar upward trend, with average sales approximately 8,100 a day. Again, our policy of making our services more attractive—and more widely available—helped to increase revenues. Another factor in the success of our prepaid fare operations has been the unqualified cooperation of the financial institutions and other firms who are participating in making prepaid fares available as a public service. Tokens are available for sale at branches of Bank of America, Los Angeles Federal Savings & Loan

Association, Security Pacific National Bank, Union Bank and at Sav-On Drug Stores.

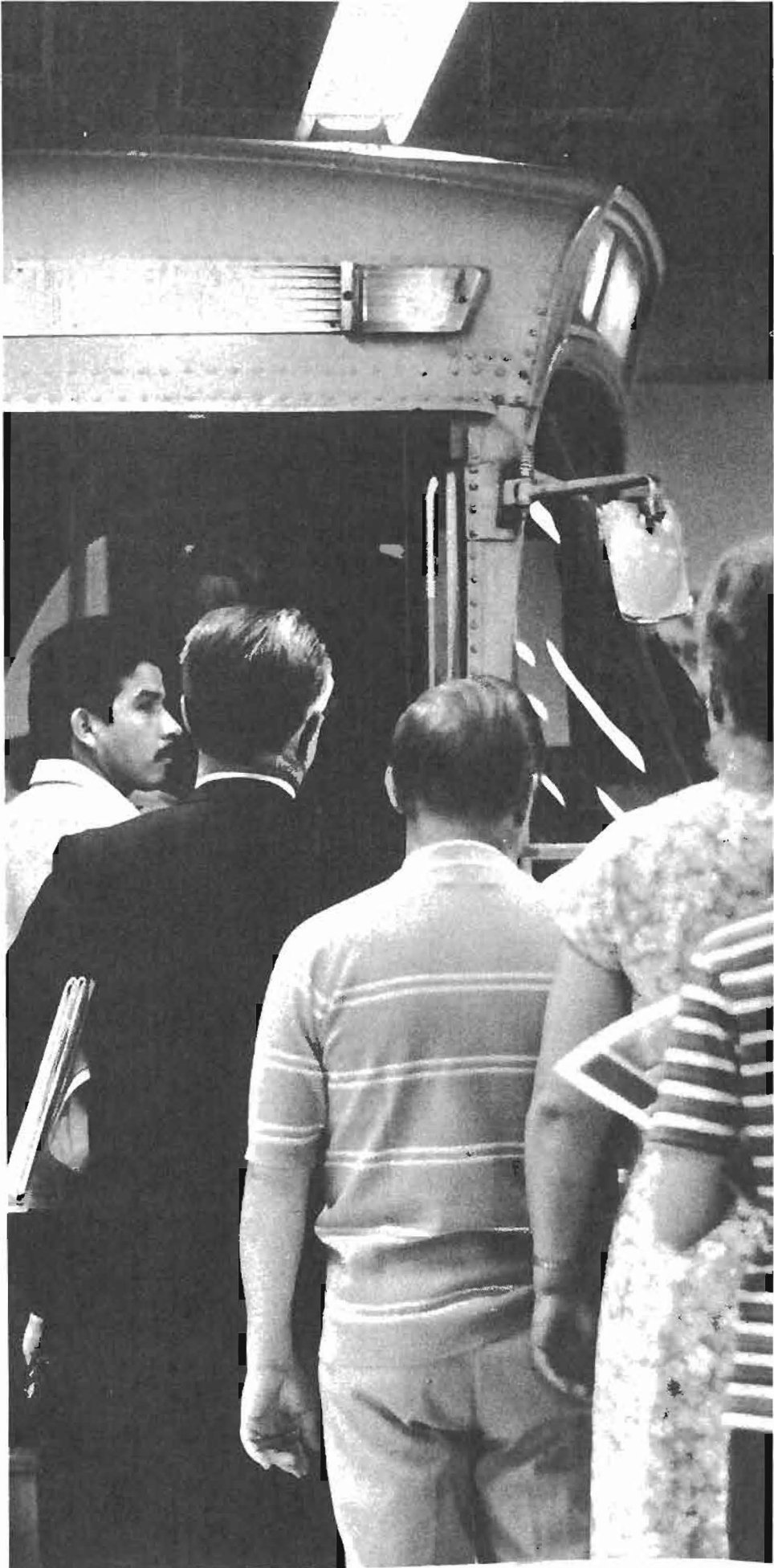
There Are No Ends Without Means

The Southern California Rapid Transit District, in its stewardship of public transit throughout its operating area, is doing its utmost—in the face of increasing costs in an inflationary economy—to maintain existing bus services at efficient levels in the 180 communities it serves.

However, it is now clear that public assistance on an assured, long-term basis is essential to the continuation of this vital public utility at levels of service and fares appropriate to the needs of our Southern California citizens. Growing recognition of this fact at all levels of government and of the critical role played by public transportation in the life of our urban areas promises early solutions to transit's financial dilemma.

Respectfully,

Samuel B. Nelson
SAMUEL B. NELSON
General Manager



RTD ExtraCAPS transport 193,000,000 passengers every year.
For many, RTD is their only mode of transportation.

Current District Projects

El Monte-Los Angeles Exclusive Express Busway

During the year, the District participated with various local, state and federal agencies in planning and implementing new transit projects, all with the primary objective of upgrading mobility and service in Los Angeles County. By far the most ambitious of these several undertakings is the El Monte-Los Angeles Exclusive Express Busway, which will utilize the existing Southern Pacific Railroad right-of-way in the center and alongside the San Bernardino Freeway between the two cities.

When completed, the Express Busway will extend 11 miles from its eastern terminus at Santa Anita Avenue in El Monte to Mission Road in Los Angeles, with an additional 1 1/2 miles of curb-lane service in downtown Los Angeles. From Mission Road in Los Angeles, Busway Flyers will leave the Busway and utilize a widened section of the San Bernardino Freeway, exiting near Union Station and follow an adjacent access road to First and Spring Streets. Flyers would then proceed on First Street to Olive Street, south to Seventh Street, west to Union Avenue, north to Wilshire Boulevard and west to Western Avenue. A corollary

service will also be provided to the RTD-Greyhound Terminal at Sixth and Los Angeles Streets.

Busway Will Serve Broad Network of Southland Communities

Current projections are that 17,000 passengers a day—as many as 4,000 during the peak traffic hour—will be traveling on Busway Flyers, at speeds up to 60 miles an hour, during 1972, the first year of operation. The Busway's designed—in capacity of 6,000 passengers an hour, the equivalent of three freeway lanes, may be achieved by scheduling service every half-minute. Busway Flyers can make the El Monte to downtown Los Angeles trip in 18 minutes, about half the usual peak-hour travel time by automobile.

The Busway will serve a broad spectrum of cities and communities east and west of El Monte:

EAST	Arcadia	La Verne
	Baldwin Park	Monrovia
	Bradbury	Pomona
	Duarte	Claremont
	Bassett	San Dimas
	Covina	South El Monte
	Glendora	Temple City
	Irwindale	Walnut
	La Puente	West Covina

WEST	Los Angeles	San Gabriel
	Alhambra	Rosemead
	Monterey Park	

Community Facilities Served:

Los Angeles County/USC Medical Center
California State College at Los Angeles

Park'n Ride Facilities

The El Monte Terminal will have a planned parking facility for 1,400 cars, and is also designed for the exchange of passengers from "feeder" buses to the Busway Flyers. At San Gabriel Boulevard in Rosemead, there will be another Park 'n Ride facility with 450 parking stalls and special bus access ramps onto the Busway.

Busway-A Product of Inter-Agency Cooperation

The El Monte-Los Angeles Exclusive Express Busway is a signal achievement in local, state, federal and Rapid Transit District cooperation in transportation planning. Agencies involved—California State Division of Highways, Federal



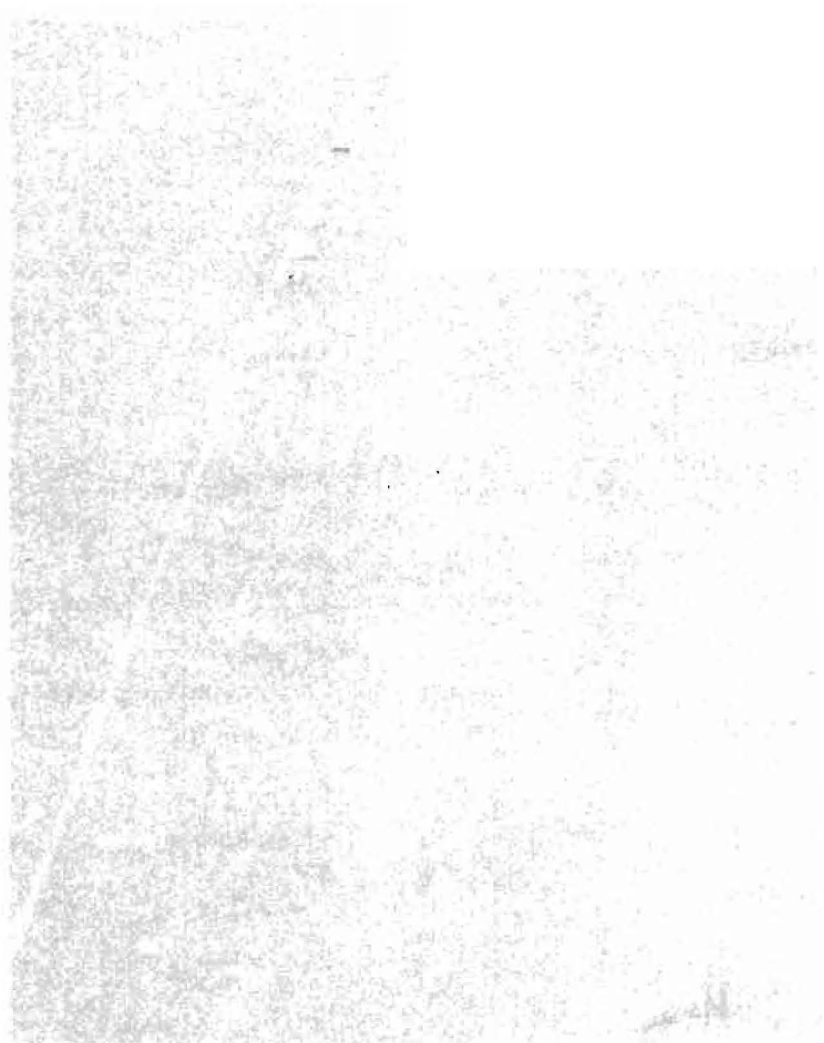
Bureau of Public Roads, Federal Urban Mass Transportation Administration (UMTA) and the Southern California Rapid Transit District — are now finalizing proportionate cost allocations.

When the Busway becomes operational in 1972, the District has every reason to expect that truly rapid freeway transit service will be a reality for the citizens of the heavily populated cities and communities in the Busway service area. It is also projected that the Express Busway will provide a quality of service which will cause residents in other areas of the County to demand similar high-speed public transportation facilities to increase their mobility.

Another important consideration: If the District is successful in obtaining the proposed right-of-way for the Busway, it will preserve an existing strategic transit corridor for public use.

FTD - City of Los Angeles Traffic Flow Improvement Team

Composed of a joint committee of District traffic specialists and their opposite numbers in the Los Angeles City Department of Traffic and the Los Angeles City Board of Public Utilities and Transportation, the goal of the Traffic



When built, Busway Flyers will make the El Monte to downtown Los Angeles trip in 18 minutes — about half the "crush-hour" travel time by auto.

Flow Improvement Team is to unsnarl the snarl in city street traffic.

Major objectives will be improved traffic flow for automobiles and improved on-time performance for the District's ExtraCARS; optimized signal timing; exclusive curb-side bus lanes; special curb bays for bus passenger loading and unloading; and facilitation of bus turning movements at intersections.

Current Team Activities:

"Far Side" Bus Stops:

Now in operation on Olympic Boulevard, this program moved bus stops to the far side of intersections, which freed the right hand lanes for passenger car turning operations. Preliminary studies show that due to this program, right-hand turning operations have been so speeded as to measurably improve traffic flow. "Far Side" stops permit buses to load and proceed without additional waiting time for traffic signals. Studies are currently under way to further determine the system's suitability for other major traffic arteries in the metropolitan area.

Operator Actuated Traffic Signals:

Feasibility studies are now in progress on a system of electronic control of

traffic signals from the Operator's seat during off-peak traffic periods. If found to be practical, bus "standtime" at traffic signals will be appreciably reduced.

Cooperative Grade Planning for Bunker Hill Development:

Working closely with the Los Angeles Community Redevelopment Agency, SCRTD has cooperated in planning the grades of the redesigned street system in the Bunker Hill renewal area so that the new Central City community can ultimately be provided with optimum bus service.

Freeway On-Ramp Metering Demonstrations:

Several test freeway on-ramp metering sites with traffic signals have been established on the Harbor and Hollywood Freeways to control access to these trunk arteries during peak traffic periods, and thereby reduce accidents and improve traffic flow. SCRTD buses are given preferential treatment in the metering process.

Technology Review Board

With membership from Southern California's leading universities as well as the engineering and planning staffs of the SCRTD, the Technology Review Board began in March to review the various types of existing and proposed mass transit technology. This exhaustive survey of the state of the art required five months of intensive studies and close cooperation with private firms, public agencies, civic organizations, and developers of mass transit systems throughout the nation.

At the specific request of the District Board of Directors, the Technology Review Board undertook a re-evaluation of the technological design of the 89-mile rail rapid transit system adopted in 1968 by the SCRTD.

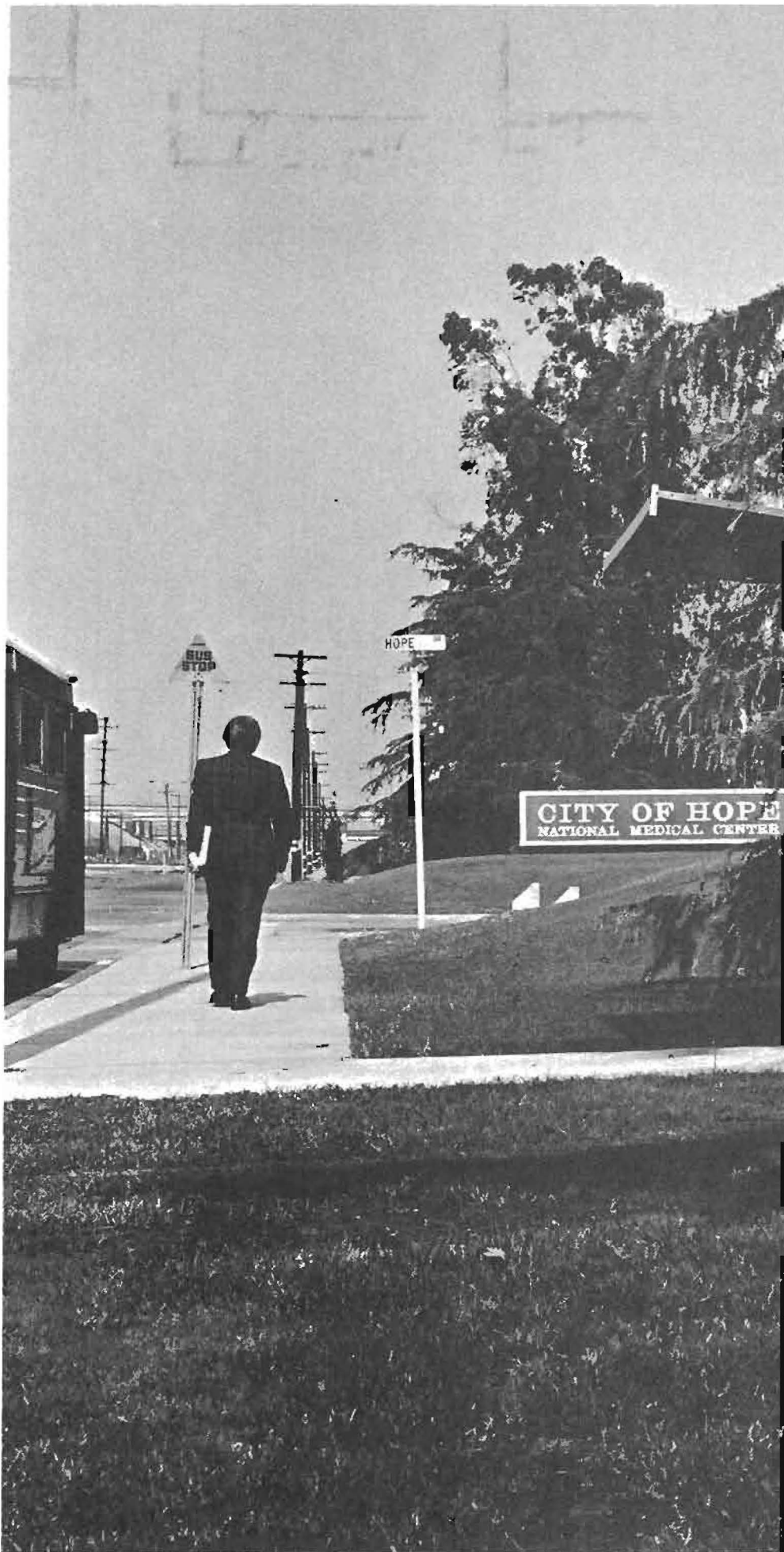
Object of the intensive analysis: to insure Southland commuters that every technological advancement in high-speed transit will have been fully considered in the District's plans for new systems.

In discussing the conclusions of the Technology Review Board, Dr. Alfred C. Ingersoll, immediate past Dean of the School of Engineering, University of Southern California, and Technology

Review Board member stated that, at this point in time, "steel wheels running on grade-separated steel rails, offer the highest capacity, speediest, least costly, safest and most comfortable mode of mass transportation presently available."

The Technology Review Board's final report did point up the promising potential of the Tracked Air Cushion Vehicle (TACV) which they identified as most likely to be successfully developed as a high-speed mass transit system in the near future. The TACV system has received high priority in research and development by the U. S. Department of Transportation (DOT), and the SCRTD will continue to monitor these results and their possible applications to mass transit in Southern California.

The Review Board was careful to emphasize that it "strongly acknowledges that the esthetic aspects of transportation, especially noise and air pollution, must be considered key factors in the selection of any mass rapid transit system." Other systems reviewed by the Technology Review Board include the TACV system as applied to small car auxiliary systems which would be used to "feed" commuters to trunk lines; battery-powered autos for the same purpose; computer-routed buses; and continuous loop systems on guideways.



RTD provides convenient and frequent service to all major medical centers in the greater Los Angeles area.

Protecting Our Environment

Air Quality Control

The unquestioned deterioration of our Southern California environment is of great concern to our entire community. SCRTD is proud to be able to say that it is actually doing something about improving that environment.

This has been particularly true in the Rapid Transit District's day to day bus operations, where minimization of the most pressing problem of all—air pollution—has been the goal.

Since the inception of public agency operation in 1958, the Southern California Rapid Transit District and its predecessors have maintained a continuing "Operation Air Quality Control" program to reduce the transit system's already minimal contribution to the smog problem in Los Angeles County.

Due in great part to this continuous 11-year program, the Los Angeles County Air Pollution Control District's report to the County Board of Supervisors stated that the Southern California Rapid Transit District's 1,500-plus buses may be responsible for as little as four

ten-thousandths of the air pollution caused by *all* private and commercial motor vehicles operated in the county.

On the basis of seated passengers only, a fully loaded ExtraCAR (51 passengers) represents forty automobiles that otherwise would be plying our already overloaded freeways. Therefore, it can be seen that the present bus service is the equivalent of at least 60,000 automobiles which at any given time would otherwise be emitting pollutants into the atmosphere of Southern California.

The District was one of the first major transit systems to convert its buses 100 percent to cleaner burning diesel fuel. Further, the District has pioneered in the research and development for its own exclusive use of a water-clear, super-refined, "Number One Grade" diesel fuel that is much cleaner burning than ordinary diesel fuels used in day to day commercial operations. This "super-clean" diesel fuel has reduced our already inconsequential exhaust emissions even further.

Since its inception, the SCRTD has

operated one of the best maintained bus fleets in the United States, and it is generally accepted that well maintained diesel vehicles emit fewer smog producing chemicals. Our technicians work constantly to develop and install in our bus engines the latest innovations in smog abatement technology.

New Fuel Injection System Helps Clear the Air:

For example, a new type "low sac needle" fuel injection system, tailored for SCRTD ExtraCARS by our own technicians, assures practically complete combustion of diesel fuel, and has measurably reduced production of smog producing elements in bus exhaust emissions.

Other ongoing Air Quality Control projects include the effort under way to develop a catalytic muffler in close cooperation with a major manufacturer, a program which promises progress toward a purer, cleaner air.

New Hope For Cleaner Air Through New Fuel Technology:

Late in 1969, the District advised the California Assembly Transportation and Commerce Committee and the federal Urban Mass Transportation Administration (UMTA) of its desire to participate in steam engine propulsion tests planned for several major California cities. The District subsequently was authorized to join San Francisco and Oakland as test areas for testing bus steam engines in actual transit service.

This year, initial planning was begun on feasibility studies of natural gas as fuel for our ExtraCARS. This project is a joint venture of the Los Angeles County Air Pollution Control District, the Pacific Lighting Service Company, and the Rapid Transit District. If initial tests show measurable air pollution abatement potential through use of natural gas, SCRTD will file an application with the Department of Transportation (DOT) for a federal research grant to fund a comprehensive testing program.



APCD is participating in various ongoing experimental programs to develop innovative smog abatement technology.

S.C.R.T.D. LIBRARY



1970

Annual Report



SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT



Southern California Rapid Transit District

*To Legislative Bodies of the Southern California Rapid Transit District
and the Chief Administrative Officers:*

This report is a comprehensive accounting of the way in which the Southern California Rapid Transit District fulfilled its responsibilities by providing efficient, economical mass transit facilities, services and programs for the citizens of its four-county service area during the calendar year 1970.

It was a year notable for meaningful and far-reaching transit legislation in the nation's capital, and a year in which legislation passed in the previous year — Assembly Bill 2136 — became effective to bring urgently needed operating revenue to the District.

The passage of the federal Urban Mass Transportation Assistance Act and the July 1 effective date of AB 2136 came none too soon in view of sharply escalating operating costs and the urgent need for improved services for Southern California's rapidly increasing population.

The Board of Directors and the RTD management group believe this report supplies substantive proof that the District has continued to meet its obligations to its citizen-riders in commendable fashion during 1970, despite an average increase in operating expenses of 9% during the year. Indeed, we submit that the RTD has provided the finest transit services possible in the face of its critical financial situation.

On behalf of the Board of Directors, the RTD management group, the staff, and every member of the RTD employee team, I thank you for your past, present and continued support of our efforts to implement and maintain an optimum system of citizen-serving public transit in the most populous area of California, the nation's most populous state.

Sincerely,

Herbert H. Krauch
HERBERT H. KRAUCH
President and Director

Congress acts in concert with cities to close Public Transit Gap



Report of the General Manager



Jack R. Gilstrap

Public transit agencies across the nation received new hope, as well as fresh incentives to immediate action on long overdue transit projects,

when President Nixon signed the Urban Mass Transportation Assistance Act into law in October.

The measure promises all U.S. cities the opportunity—and two-thirds of the necessary funding—to develop high-speed, high-capacity bus and/or rail rapid transit systems designed to meet the needs of their citizens.

The UMTA Act provides \$3.1 billion over the next five years as the first phase of a 10-year program that ultimately will deliver \$10 billion into the nation's financially ailing transit systems. Under terms of the Act, local transit agencies must provide one-third the total cost of a proposed transit project to qualify for federal funds.

California could qualify for as much as \$400 million under the measure over the next five years.

However, following expiration of the Lanterman Bill (Assembly Bill 2136) on December 31, 1970, the District will lack any long-term tax support program at the state or local level to qualify the District for financial assistance under UMTA Act's matching funds provision.

Lanterman Bill Helped District Hold Line Against Rising Costs

Enacted by the State Legislature in 1969, the Lanterman Bill (AB 2136) empowered collection of a one-half cent sales tax in the District for a period of six months, beginning July 1, 1970. Funds generated by this local sales tax gave urgently needed financial assistance to the RTD, as well as to eight other municipally



owned bus operations in the service area. Operating revenues produced by this timely bill enabled the District to maintain existing levels of service and to make modest improvements.

However, revenues produced by this sales tax fell some \$3.75 million short of original projections, principally due to the downturn in the economy.

Parenthetically, it should be noted that according to the American Transit Association, ridership on surface transit systems serving areas of more than 500,000 population decreased 7.59% nationally during 1970. The District's decrease during the same period was only 0.05% in spite of rising unemployment in Southern California.

In the hard light of rising operating costs in an unprecedented year of inflation-cum-recession, one key

fact was impressed upon the Board of Directors, management group and operating staff: Without the revenue delivered to the Rapid Transit District as a direct result of the Lanterman Bill, the RTD would have had no alternative but to raise its basic fare from 30¢ to as much as 50¢, and to drastically reduce the quantity and quality of transit services. Such a fare increase, coupled with a downgrading of services, would have placed a severe hardship on the very people who need and use our services most.

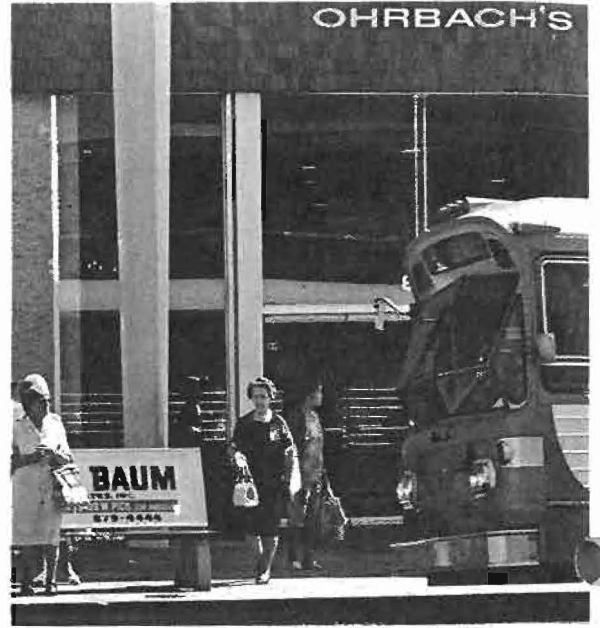
Conceived as a temporary solution to what has become a continuing need for public financial assistance for the District and other local transit operations, AB 2136 served its primary purpose as a time-limited holding action against increased fares and diminished services.

Funds accruing to the District from the District-wide sales tax also were available for use as matching funds under terms of the Urban Mass Transportation Assistance Act.

The District is optimistic that the State Legislature will take action to provide a permanent base of public funding necessary for the District to qualify for a fair share of funds under the new federal law, and to continue to provide effective, progressive public transportation services at reasonable fares.

Financial Results

District operating expenses for 1970, totalling \$55,786,000, exceeded operating revenues by \$6,903,000 and were \$5,059,000 higher than in 1969. Wages and employees welfare accounted for \$43,157,000 of the



operating expenses and these were \$3,730,000 more than last year's.

Income other than operating expense, mostly interest, amounted to \$926,000. This was more than offset by other deductions, consisting of interest and amortization in connection with long term debt, which totalled \$1,720,000.

Accordingly, the net result for the year was a deficit of \$7,697,000 compared to the deficit for 1969 of \$1,566,000. The cash proceeds from the sales tax were applied to absorb the deficits of 1969 and 1970.

Exact Fare Program: Continuing Success Story

After more than fourteen months of operation, the Exact Fare Program has demonstrated its effectiveness in protecting passengers and operators from robberies and assaults.

The basic premise of the program

was to remove all cash from operator access and control, thereby eliminating the motive for such robberies. Operators do not carry money or make change. Passengers are required to have the exact fare in cash, prepaid monthly passes, tickets, tokens or a combination of these items for deposit in locked fare boxes secured to the buses. These locked fare boxes can be opened only at a single central counting room.

The Exact Fare Program was begun in October, 1969—a year in which 164 robberies occurred on RTD vehicles. In 1970, the program's first complete year of operation, there were only two such incidents.

In addition to the Exact Fare Program's success in achieving its primary goal of reducing robberies and assaults, there have been several other important benefits to the District and its patrons. These include faster boarding and travel

times, better on-time performance of our buses, and fewer accidents.

Service Expansions

As a direct result of operating funds generated by the Lanterman Bill, more new bus lines, more extensions of existing lines, and more service improvements were initiated in 1970 than in any single previous year in the District's history. While several of the new and improved services will not be operational till early 1971, in every instance planning of—and financing for—the new lines and services were effected in 1970.

These new and expanded lines and service improvements were undertaken in practically every area of Los Angeles County, and included urban and interurban services. Completely new bus lines include Line 123, which will provide much needed service from Lynwood through the



Watts-Willowbrook area to the Los Angeles International Airport along El Segundo Boulevard, and will optimize bus service for the many employees of aircraft and manufacturing plants along that busy boulevard.

Another new line — the Line 128 Freeway Flyer Commuter Service — originates in Marina Del Rey and will speed residents of the many new high-rise apartment buildings in this fast growing area to and from downtown Los Angeles during peak commuter hours in 50 minutes. New Line 121 will provide additional residents of the San Fernando Valley with express service to downtown Los Angeles.

To serve citizens of East Los Angeles, route extensions have been made on Line 32, while Line 33 serving the Wilmington, Compton and Willowbrook areas has been improved with more stops, more frequent schedules, and a more liberal and convenient transfer policy to

east-west connecting lines. Line 55 added a new express commuter service from Huntington Beach to Los Angeles, while Line 92 is being extended to better serve residents of Watts and the soon to be completed Martin Luther King, Jr. Hospital. In response to requests from patrons in West Covina and La Puente. Line 133 has been extended and schedules revised for the convenience of employees at Mattel, Inc., and other companies in the adjoining industrial complex.

New Equipment Purchases

During the last quarter of 1970, the first 50 of a total of 200 new air-conditioned buses with two-way radio communication were delivered to various operating Divisions. The new buses are "environmentally engineered" and incorporate the latest innovations in emission control technology. They offer roomier interiors,

more comfortable seating, air-cushioned ride, scientifically designed interior lighting and faster travel times.

The new ExtraCARS feature more powerful 8 cylinder engines for more efficient freeway operation at speeds to 65 miles an hour, as well as better performance in regular city stop-and-go traffic. The 200 new buses will replace older buses which have accumulated an average of more than 600,000 miles per vehicle in transit service.

Delivery of the new equipment—to be completed by early spring of 1971 — was made possible by prompt action of Secretary of Transportation John Volpe and Urban Mass Transportation Administrator Carlos Villarreal. An initial capital grant of \$4,658,575 was committed by DOT, which included Exact Fare equipment. This amount was matched with an equal sum from the District to effect the purchase.



Prepaid Fare Sales at All-Time High

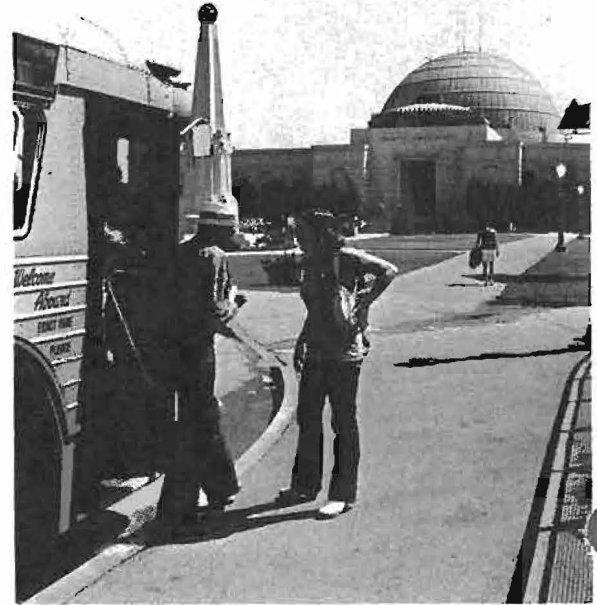
Due in part to the Exact Fare Program, an aggressively consistent advertising and public information campaign, and the improved services made available by the District, sales of prepaid fares rose dramatically in 1970.

Sales of prepaid monthly passes and tickets reached \$11,274,779 in 1970, compared to \$9,474,858 in the previous year—an increase of nearly 19%. Sales of tokens rose 82% from \$383,230 to \$696,564. This substantial increase is partly attributable to the cooperation of financial institutions and retail outlets who agreed to make tokens available to their customers as a public service; these outlets include branches of Bank of

America, Los Angeles Federal Savings & Loan Association, Security Pacific National Bank, Union Bank and Sav-On Drug Stores.

The Seventies: Decade of Decision for Public Transit

With U.S. population up 24,000,000 over 1960, the strain on the nation's already overburdened public transit system has become enormous. When it is considered that 4,236,000 of that increase has occurred right here in California—much of it in Southern California—it is apparent that federal and state governments together must provide some type of permanent public fund support for transit entities, as has already been done in the case of the nation's railroads.



For more than 30 years, public transit costs have increased, revenues have decreased, and passengers by the millions have abandoned public transit for the private automobile.

This "generation gap" in public transit has been the result of a concentration of government concern, public funds and corporate technology on the private automobile as the only solution to compounding transportation problems. The by-products of this policy are visible in every American city: paralyzed freeways during peak commuting hours; downtown traffic congestion at almost any daytime hour; and a deteriorating environment with an attendant downgrading of the quality of American life.

Government at all levels has recognized this fact. This year there



have been serious discussions in Washington and in some state capitals regarding the possibility of placing severe restrictions on the use of automobiles in downtown or central districts of major cities.

By enacting the Urban Mass Transportation Assistance Act, the Federal government has further demonstrated its concern about the seriousness and extent of the public transit situation. The positive effects of this legislation are already in evidence. Transit properties fortunate enough to have the necessary base of public funding to qualify for financing under terms of the Act are moving ahead vigorously to implement modern and expanded transit projects.

With a 1970 U.S. Census tally of 19,953,134, California is now the nation's most populous state, and

Los Angeles County, with 7,052,075, has more than one-third of the state's total population. The automobile alone cannot solve the transportation problems of such a vast and expanding population.

The answer lies in the creation of a viable system of mass public transit that will adequately and economically meet the area's pressing transportation requirements, while also serving to protect the environment.

The Southern California Rapid Transit District has the planning capability, the technical expertise and the experienced management needed to provide such a citizen-serving, ecology-oriented transit system. At this point in time, only one major obstacle blocks its ultimate realization: a permanent base of public fund support at the state level.

We are hopeful that the State

Legislature will take the necessary action required in coming sessions to enable the Rapid Transit District to furnish the citizens of its four-county service area with the quality and quantity of public transit facilities they most certainly deserve.

Respectfully,

JACK R. GILSTRAP
General Manager

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Current District Projects



During the year, the Southern California Rapid Transit District continued with planning and development of programs and projects to provide more and better public transit services for its patrons. Many of these activities were undertaken in cooperation with various federal, state and municipal agencies. Others were initiated solely by the District, notably in areas that improved the effectiveness of its management group through development of personnel and more efficient delegation of responsibilities.

All these programs, projects and activities were directed to one objective: to help build a firm foundation on which the District could continue to discharge its responsibilities under the legislative mandate given it in 1964—to build a viable mass rapid transit system designed for the singular public transportation requirements of Los Angeles County.

Los Angeles-El Monte Express Busway

The Rapid Transit District and the California State Division of Highways have combined their planning, technical and engineering capabilities to design the proposed Los Angeles-Express El Monte Busway.

The project involves construction of two new lanes in the existing Southern Pacific Railroad right of way in the center and alongside the heavily traveled San Bernardino Freeway between El Monte and Los Angeles, a distance of 11 miles.

Unobstructed by automobile traffic in the exclusive express bus lanes, air-conditioned Busway Flyers will make the run from El Monte to and from downtown Los Angeles during peak morning and evening commuting hours in 18 to 22 minutes each way, versus the 36 to 45 min-

utes now required to make each one-way trip.

During "crush-hours," Busway Flyers could be scheduled less than one minute apart, and would be able to carry up to 6,000 passengers an hour—in one lane, in one direction. Three lanes of auto traffic are now required to transport this many people.

When completed, the 11-mile Busway will extend from its eastern terminus at Santa Anita Avenue in El Monte to the Long Beach Freeway, at which point the Busway lanes will leave the median and proceed adjacent to the freeway to Mission Road. Here, buses will leave the Busway to begin an additional 5½ miles of curb lane service. They will use a widened section of the San Bernardino Freeway, exiting in the vicinity of Union Station to follow an adjacent access road to First and Spring Streets.

Arrived in Central City, Busway



Flyers will proceed on First to Olive, south to Seventh Street, west to Union Avenue, north to Wilshire Boulevard and west to Western Avenue. Service will also be provided to the RTD-Greyhound Terminal at Sixth and Los Angeles Streets.

The Busway's eastern terminal in El Monte will have a Park-'n-Ride facility for 1,500 cars; the terminal will be designed for exchange of passengers from "feeder" buses to the express Busway Flyers. On-line stations are planned at two points on the Busway proper: California State College at Los Angeles and Los Angeles County-USC Medical Center.

Busway Will Serve Commuters Of Three Counties

With its feeder bus lines and parking

facilities, the Busway will provide fast, trunk-line services for residents of communities east and west of El Monte —

EAST

Arcadia / Baldwin Park / Bassett / Bradbury / Claremont / Covina / Duarte / Glendora / Irwindale / La Puente / La Verne / Monrovia / Pomona / San Dimas / South El Monte / Temple City / Walnut / West Covina.

WEST

Alhambra / Los Angeles / Monterey Park / Rosemead / San Gabriel / South San Gabriel.

Lines which will use the Busway between El Monte and Los Angeles will also serve the following communities in Riverside and San Bernardino counties:

Colton / Cucamonga / Etiwanda / Fontana / Loma Linda / Ontario / Redlands / Rialto / Riverside / San Bernardino / Upland / Yucaipa.

From connections in the Central City, Busway patrons will be able to reach points in the Los Angeles area, including such concentrated business districts as The Miracle Mile and Century City.

The Busway will represent a true public service, taking people to jobs, recreation sites, schools and medical facilities.

A Signal Achievement in Inter-Agency Cooperation

The Busway is a five-year demonstration project undertaken by the District in cooperation with the Urban Mass Transportation Administration, the Federal Highway Administration's Bureau of Public Roads,



the California Business and Transportation Agency's Department of Public Works, Division of Highways, the Southern Pacific Transportation Company, and the cities of El Monte and Los Angeles. It stands as a national symbol of the cooperation possible between highway interests and transit systems.

The project is currently budgeted at approximately \$51.5 million for engineering, right of way, construction and equipment, including purchase of 100 new Busway Flyers. The funds will come from FHWA, UMTA, the state and other political entities. Approximately \$7 million will be contributed by the Rapid Transit District.

When completed in 1973, the Los Angeles-El Monte Exclusive Express Busway will represent a major advance in the evolution of the present all-bus operations toward a viable, county-wide mass rapid transit system. The District's basic premise in planning for this ultimate goal is to

get our vehicles out of proliferating auto traffic.

The Busway project will bring to the people of the San Gabriel Valley and adjacent communities a bus-based rapid transit commuter service capable of moving great numbers of people during peak commuter hours at sustained high speeds. The District views the Busway as a continuing program which can be expanded to other freeways on a phased or "modular" basis.

Both state and federal highway agencies are interested in improving the people-moving capacities of freeway corridors in Southern California. The Busway appears to be a logical way to accomplish this purpose at a relatively low cost without further threatening the environment. It will preserve an existing strategic transit right of way for public use, and if extended to other freeways, could prevent removal from state and local tax rolls of hundreds of

millions of dollars in private property which might otherwise be required for new transportation corridors.

Minibus Program: Partial Relief for Central City Traffic Congestion

To help relieve increasingly critical traffic congestion and air pollution in the Los Angeles Central City — Civic Center area, the District plans to begin operation of a 14-month experimental Minibus Program in 1971.

It is initially planned to operate a fleet of 19 small 20-passenger buses at four-minute intervals in the Central City area between the hours of 9:00 a.m. and 4:00 p.m., Monday through Saturday, with extension of hours to provide peripheral parking shuttle service, if possible, within the financing limits of the plan. The fare will be a down-to-earth 10¢.



The new Minibus Program has three primary objectives:

1. To improve the circulation of people and vehicles and to reduce air pollution in downtown Los Angeles by providing shoppers, office workers, business people and others with downtown business to transact with a convenient economical alternative to driving their autos in this heavily congested area.
2. To provide faster, lower cost, short-haul transit service to shoppers, workers and visitors along the Hill-Broadway-Spring Streets shopping and financial district than is now provided by our regular lines serving the Central City.
3. To interconnect high-density activity centers in the Central City by improving access between Civic Center, fast-developing Bunker Hill, and the new office developments, retail

stores and hotel establishments in the downtown west side.

The 19 specially designed Minibuses were ordered to District specifications to provide maximum aesthetic appeal, rider comfort and boarding-exiting convenience. Minibuses will operate on natural gas, with emergency gasoline backup, to keep exhaust emissions at the lowest possible levels.

Financing for the Minibus Program will total \$725,000. The largest share of this amount — \$360,000 — will be committed by the Rapid Transit District from funds received from the temporary one-half cent sales tax provided by the Lanterman Bill. The Los Angeles County Board of Supervisors and the Community Redevelopment Agency have approved \$73,000 each toward the program. The Los Angeles City Council has authorized \$219,000 as its contribution to setting up the new service.

Cooperative Six-County Transit Development Program

The Southern California Rapid Transit District has been an active member of the Transportation Association of Southern California (TASC) since 1965. The organization was founded that year to act as a joint powers regional transportation planning agency. TASC has since been made a part of the Southern California Association of Governments (SCAG) and now has as members the counties of Los Angeles, Imperial, Orange, Riverside, San Bernardino and Ventura, and cities in those counties.

The District in this study effort is developing a Transit Improvement and Coordination Program in cooperation with the 30 public and private transit operators in the six-county area. This project is administered by SCAG, staffed by District



planners and technical experts with the invaluable assistance of other transit operators concerned, and supported by the expertise of independent transit planning consultants. The project began in July, 1970 with completion of the program scheduled for the following summer.

The joint Six County Transit Improvement and Coordination Program involves a thoroughgoing analysis of the 13 public and 17 private transit operations in Southern California. Existing services of all carriers—their routes, schedules, traffic levels and potentials, rates of fare and physical facilities—are inventoried. Adequacy of service is analyzed and areas of improvement identified. Physical arrangements for interchange of traffic between the various transit systems, service con-

nections and inter-system fare structures are being studied.

When finalized, the program will produce recommendations for improvements in service coverage, operational changes to improve the quality of services, and methods to optimize coordination of services between the various systems. Improvements in equipment, where indicated, will be suggested.

A vital element of the joint Six County program is the development of a modal-split model. This is a computer-based analytical tool for evaluating public transportation needs and transit systems alternatives.

The joint Six County Transit Improvement and Coordination Program will satisfy one of the requirements for regional transportation

planning upon which eligibility for full participation in certain federal financial assistance programs are based.

SCRTD Management Development Training Program

To assure both continuity and high caliber of personnel for its operating departments and management group, the Southern California Rapid Transit District is expanding its already comprehensive Management Development Training Program and on-the-job training activities in all operating departments.

Funded by the District, the program is the first of such broad scope and depth in the transit industry and has two long-term objectives:



1. To increase employee opportunities through career development programs.

2. To provide management with a reservoir of qualified replacements to fill responsible senior level management positions vacated by retirement, resignation or other reasons.

The program has three separate components:

Transportation Administration Certificate Program: A two-year course that provides District employees of demonstrated potential an opportunity to prepare for managerial positions. It consists of eight quarters of instruction in Business Communications; Managerial Psychology; Elements of Industrial Relations; Community Relations; Management Accounting; Business Finance; Organization and Manage-

ment; and the Legal Aspects of Public Transportation.

Special Courses Program: Created to meet RTD's immediate need for help in specific operating areas, all District employees are eligible to enroll. It includes courses in Principles and Methods of Supervision; Functions of Public Transportation; and Written Communications. Special classes within this program are designed for employees who are supervisors or managers, with courses in Management Psychology; Elements of Industrial Relations; and Organization and Management. For RTD's secretarial staff, a course entitled Survey of Business for Secretaries has been established.

Tuition Reimbursement Program: For technical, supervisory and man-

agerial employees requiring specialized courses that increase their competence and skills in carrying out their specialized job requirements.

Tuition for classes in the Transportation Administration Certificate Program and the Special Courses Program will be prepaid and necessary course materials provided without cost. Employees participating in the Tuition Reimbursement Program will pay their own tuition fees and course material costs. Upon satisfactory completion of the course, employees will be reimbursed in full.

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Environmental Protection Programs



While the Southern California Rapid Transit District's principal reason for being is to provide efficient, high-speed mass transit at the lowest possible cost, as a good corporate citizen it must also fulfill a much wider category of obligations to its various publics. At this particular point in time, one of the most important of these obligations is to help preserve the quality of life through constructive environmental protection programs.

Since RTD operates more than 1,500 buses in four counties, the main thrust of these ecology-oriented programs and activities is directed to improving the quality of Southern California's critically smog-polluted air. Since 1958, the District and its predecessor agency—the Metropolitan Transit Authority—have been actively involved in continuing programs of air quality control.

The District was one of the first major transit systems in the nation to convert its entire bus fleet to diesel fuel. Diesel fuel is much cleaner burning than gasoline, with fewer

harmful exhaust emissions. As an added preventive measure against smog, the District helped in the development of a custom quality, crystal-clear diesel fuel, now in use in all its buses, that is far superior to regular commercial grades of diesel fuel in reducing the volume and toxicity of exhaust emissions.

The District has always been noted as one of the best maintained bus fleets in the nation, and its technicians have developed and installed in its bus engines the latest products of pollution abatement technology.

As a direct result of these effective preventive programs, the Los Angeles Air Pollution Control District has commended the District in a report to the County Board of Supervisors.

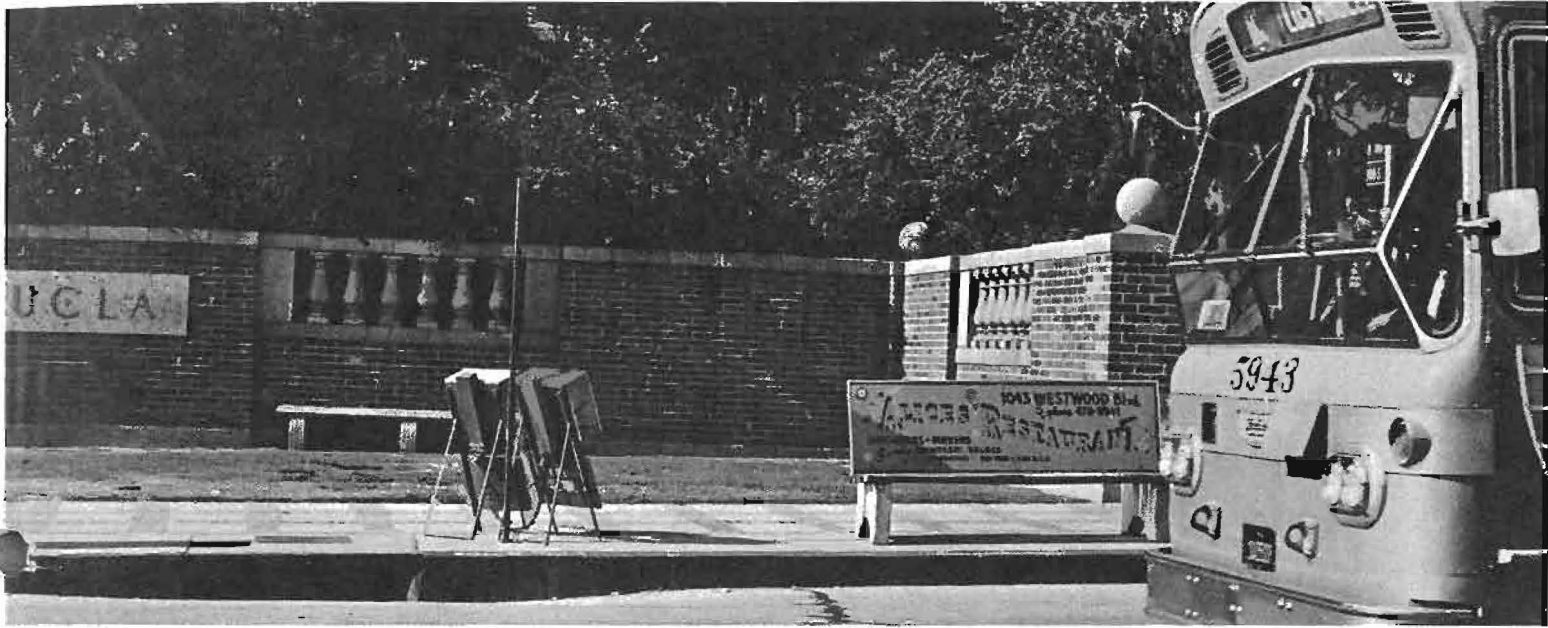
A fully loaded RTD bus transports 51 seated passengers. Local studies have indicated that the average number of passengers per automobile carried per trip is 1.2 per vehicle. On this basis alone, each fully loaded RTD ExtraCAR represents forty automobiles that would

be emitting pollutants into the atmosphere. 1,533 buses are the equivalent of at least 60,000 automobiles that would be using congested freeways and surface streets in peak commuter hours.

In addition to its present outstanding maintenance and research and development programs in pollution abatement, the Rapid Transit District is actively participating in a number of meaningful projects which promise positive results in reducing the level of air pollution in Southern California.

Natural Gas Project: In a cooperative program with the Air Pollution Control District, the Pacific Lighting Service Company and the Cummins Engine Company, the RTD will soon begin tests of compressed natural gas as a fuel on one of our buses between downtown Los Angeles and the city of Santa Monica. Preliminary studies indicate that compressed natural gas burns cleanly, smoothly and with a minimum odor.

Catalytic Muffler R&D Program: RTD has also obtained federal funds



to test a new type catalytic muffler. If proved successful, this new device will substantially reduce the already minimal smoke, hydrocarbons and carbon monoxide emissions from diesel engines. It is also expected to greatly reduce emissions of oxides of nitrogen and to virtually eliminate any odor in the exhaust. This device is being developed in cooperation with the Atomic International Division of North American Rockwell Corporation.

Steam Propulsion Demonstration Project: The District is also participating in a project for development of a steam-operated bus. This program is being sponsored by the California Assembly Rules Committee under an Urban Mass Transportation Administration Research and Development grant. Both the RTD and the State of California are contributing matching funds to this project.

The steam bus power system is inherently low pollution, since combustion takes place outside the engine where sufficient air in proper

proportions is readily available to effect complete fuel combustion. Application of new technology to the early-in-the-century steam engine may well result in a modern version of the Stanley Steamer engine propelling RTD ExtraCARS.

All New Equipment Meets Both Federal and California Air Pollution Control Specifications

Specifications for all new vehicles received at the District—including the 200 new buses noted in the General Manager's Report—are designed to meet all pollution control requirements of the federal government, as well as the California Air Resources Board.

New automobiles being purchased by the District for use by road supervisors will replace cars as much as nine years old, which did not have the smog control devices required by state law since 1964. If

gasoline-powered, these auxiliary vehicles will be required to burn the recently developed no-lead or low-lead fuels.

Even radio systems for these vehicles are environmentally oriented. Former vacuum tube-type sets imposed high vehicular battery drain, requiring continual idling of engines. The new sets are all-transistor, solid-state, and can be operated for long periods with minimal battery drain. Consequently, emissions from engine-idling will be substantially reduced, particularly in congested traffic areas.

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RTD 1971-72
annual report

LETTER FROM THE PRESIDENT

To:

The Honorable Members of the California State Legislature, Legislative Bodies of the Southern California Rapid Transit District and the Chief Administrative Officers.

Gentlemen:

As the Southern California Rapid Transit District enters into a new fiscal year, it is a most pleasant duty to recount the accomplishments of the agency during the eighteen months ending June 30, 1972.

The District made considerable progress toward its desired goal: to move greater numbers of people in shorter timespans with fewer delays and inconveniences. In other words, it

provided more efficient transportation throughout our four-county service area.

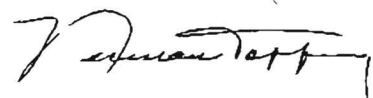
The possibility that the District can also fulfill its mandate by providing a county-wide rapid transit system has been strengthened by the passage, last November, of Senate Bill 325. For taking this positive action to improve public transportation, the State Legislature and Governor Reagan deserve the thanks of all the people of California.

The Board of Directors is proud of the fact that the District has been able to offer reduced fares for some citizens, while at the same time generally improving service. In subsequent

pages the General Manager describes our progress on such important projects as the El Monte-Los Angeles Express Busway, the downtown Mini-bus service, the innovative "Park-Ride" program and rapid transit planning.

We are pleased with the assistance and cooperation we have received from State and local governmental officials and earnestly solicit their continued support.

Respectfully,



DR. NORMAN TOPPING
President and Director

REPORT OF THE GENERAL MANAGER

ENACTMENT OF SENATE BILL 325 ADVANCES CAUSE OF BETTER PUBLIC TRANSIT THROUGHOUT CALIFORNIA

The timetable for better public transportation throughout the state was moved forward when the State Legislature passed



Jack R. Gilstrap

Senate Bill 325 and Governor Ronald Reagan signed it into law November 4, 1971. SB 325, which received active statewide support from civic organizations, community entities and citizens' groups, was made law in response to the need for long-term financial assistance to California's transit properties.

Here is how the California general sales tax will be allocated beginning July 1, 1972:

To the State	3¾%
To cities and counties and general fund	1%
To transit in urban counties (over 500,000 population) and to roads and streets in rural counties	¼%
TOTAL	5%

The new sales tax will deliver approximately \$114 million throughout California in the 1972-1973 fiscal year. Of this amount, \$23 million will go to the cities and counties for general fund use as the result of the local 1% levy on gasoline sales. \$91 million will become available for public transit in urban areas and for roads and streets in rural counties.

The amount each county will receive is based on the amount of sales tax generated in that particular county. Los Angeles County is projected to receive

approximately \$42 million from the funds allocated to transit, beginning in the 1972-'73 fiscal year, the first full year of the new law's operation. The Southern California Rapid Transit District may receive as much as \$36 million of this amount, and the eight municipal transit properties in the county will share the balance of \$6 million.

PASSAGE OF SB 325 STIMULATES AREA-WIDE INTEREST IN UPGRADING ALL MODES OF PUBLIC TRANSPORTATION

Certainly the primary factor in Senate Bill 325 becoming law has been the renewed interest throughout the Southland in improving public transportation. For the first time since the RTD's 1968 proposal for rapid transit, city and county officials, local planning agencies, and the District have met together in a concerted effort to reach agreement on the many details

involved in planning and construction of a rapid transit system.

Every responsible citizen agrees that a modern rapid transit system should be as much a part of the panorama of Southern California as our superb highway-freeway network. In fact, if we wish to maintain our position among the world's great cities, we *must* have a rapid transit system.

The District's positive position in this matter is shared by the Los Angeles County Board of Supervisors and the City Council of Los Angeles. As a direct result of a series of meetings between the Rapid Transit District and these municipal agencies, by June 30, 1972, a mutual understanding between the three entities had been reached. Both the County Board of Supervisors and the City Council had pledged financial support to a first-stage rapid transit line in the form of SB 325 general funds revenues accru-

ing to the respective agencies. As its share in this agreement, the Rapid Transit District has pledged \$9.5 million of its first year's allocation of sales tax revenues to rapid transit construction.

Final allocation of these funds must await technical studies of potential transportation corridors in Southern California. These studies, which are required by the federal government prior to approval of federal funds for rapid transit, will begin in the fall of 1972. They will require approximately 8 months, and will culminate in a grant application for capital funding to the Federal Urban Mass Transportation Administration.

If the basic recommendations of these technical studies are approved by UMTA, 2-for-1 matching federal funds are expected to be forthcoming to construct the initial phases of what ultimately will become a county-wide rapid transit system.



NEW LINES AND SERVICE EXTENSIONS

While plans go forward to bring a first-stage rapid transit line to Los Angeles County, our patrons continue to be served in the most efficient manner possible by the present bus system. To this end, the District maintains an ongoing "line-review" program to help assure that existing lines are providing the maximum benefits to our riders, and that proposed new lines are located in areas of greatest need.

The following line extensions and new services were placed in operation during the past eighteen months.

Early in 1971, the District filled an emergency service need in the San Pedro area when it acquired the four bus lines of two privately owned bus companies. Now designated RTD Line 126, 9th Street-Averill Park; Line 129, Barton Hill; Line 130, Point Fermin; and Line 131, Gaffey Street, the four new lines are now providing service to residents of that harbor city.



Later in 1971, a similar emergency in transit service occurred when service was discontinued on the five bus lines operated by the Blue & White Bus Company of Watts, Inc. The RTD is providing these services to prevent the possibility of a serious deprivation of transit service to residents of South and South-Central Los Angeles. These new lines now bear the RTD designations as follows: Line 303, Compton (via Avalon Boulevard); Line 304, Compton (via Central Avenue); Line 305, Huntington Park; Line 306, Manchester & Central to Imperial; and Line 308, Compton Avenue.

In February, new Line 123, El Segundo Boulevard, began operation, providing a needed service to the aircraft and manufacturing plants along this busy boulevard. Line 123 also serves the new Martin Luther King, Jr. Hospital, as well as the entire length of El Segundo Boulevard from Lynwood to the Los Angeles International Airport complex.

To better serve the new Martin Luther King, Jr. Hospital.



Line 92 (Watts-Sierra Vista) was extended from its terminal at 103rd Street and Graham Avenue to 124th and Wilmington. Line 32, Washington Boulevard-Indiana Street-Gage Avenue, was extended along Olympic Boulevard, Grande Vista and Washington Boulevard to Figueroa Street, providing frequent east-west service across Washington Boulevard.

Line 11, San Gabriel Boulevard-Atlantic Avenue-East Los Angeles, was extended at its eastern end from San Gabriel Boulevard and Garvey Avenue to Rush Street and Walnut Grove Avenue, and from Atlantic Boulevard and Emerson Avenue to Dozier Street and Rowan Avenue on the west. It proceeds via Monterey Pass Road and Brooklyn Avenue to Dozier and Rowan. Concurrently, Line 17 was extended from Fremont and Hellman Avenues along Fremont Avenue and Monterey Pass Road, and from Brooklyn Avenue to Dozier and Rowan.

To fill a gap in transit service, Line 18 was extended from its terminal at Chesapeake and Rodeo Road along Coliseum to La Brea Avenue.

On September 1, the Southern California Rapid Transit District assumed operation of the three bus lines in east Los Angeles formerly owned by Eastern Cities Transit. New RTD designations of these lines are: Line 140, Kern Avenue; Line 141, Ford Boulevard; and Line 142, City Terrace. Service has continued since purchase of the three lines by RTD with no increase in the Eastern Cities Transit basic fare with free transfer privileges between these three lines.

LOWER FARES AND THE FACTS OF ECONOMIC LIFE

It is one of the several economic facts of life faced daily by the District that revenues de-

rived from the farebox today pay only 71% of its operating costs. Yet the Rapid Transit District is confronted regularly with requests for lower fares, and even requests for "free" service on a permanent basis. In view of the District's "cost-squeeze" at the farebox, any requests for fare reductions must be measured very carefully.

One such request during 1972 was for lower fares for Senior Citizens. This request was submitted to the District Board of Directors for action and was passed unanimously with the result that, effective June 1, the former 20¢ single-zone fare was reduced to 10¢. Effective hours of the new low rate are from 9 a.m. to 3 p.m. and from 7 p.m. to midnight weekdays and all day Saturday, Sunday and legal holidays. The District will absorb the cost of this program.

FINANCIAL RESULTS

The cost of operating the bus system in the eighteen-month period covered by this report continued to increase as have the costs in virtually all service industries. The greatest upward cost pressure continued to be wages, salaries and associated fringe benefits. The District's retirement plans were substandard until recently and the cost of bringing the plans up to industry and public service standards is substantial. Total costs for the eighteen months reduced to an annual rate were \$67,263,000, up 16% from calendar year 1970 costs.

There have been no fare increases to offset the higher costs. Passenger fares collected in the eighteen-month period were at an annual rate of \$47,277,000, down 2% from 1970. Part of the decline is clearly related to a continued slow down in the overall economy in Southern California in 1971. Also the District carried a higher percentage of its customers on

monthly passes at reduced rates per trip in the period covered by this report. The District used sales tax revenue to subsidize its operations at an annual rate of \$18,175,000.

The District's overall financial position was sound at the end of the period covered by this report. Its new property, plant and equipment account was increased by \$3,858,000 with the help of Federal capital grants. The bonded debt declined from \$27,164,000 to \$24,405,000.

NEW EQUIPMENT DELIVERIES

During 1971-1972, deliveries of the final 150 of 200 new air-conditioned buses ordered in 1970 were completed. Purchase of the new buses and Exact Fare equipment was made possible by a capital grant from the U. S. Department of Transportation in the amount of \$6,310,566 covering two-thirds of the project cost. The remaining one-third—\$3,155,284—was contributed by the District.

Incorporating the most modern innovations in emissions control technology, the new vehicles offer air conditioned comfort, more spacious interiors, more comfortable seating, air-cushioned ride, scientifically designed interior lighting and faster travel times. They feature faster acceleration for more efficient operation at freeway speeds to 65 m.p.h., as well as better performance in city stop-and-go traffic.

A PERMANENT BASE OF PUBLIC FUND SUPPORT: BUILDING BLOCK FOR BETTER PUBLIC TRANSIT

The District Board of Directors and staff are fully aware that money, alone, cannot provide an across-the-board solution to the problems involved in providing modern public transporta-



tion for the nation's most populous state. Nevertheless, money is the necessary ingredient. With operating costs accelerating ever faster than revenues, whatever we do to increase our transit effectiveness now and in the future—building new rapid transit facilities or improving the effectiveness of the existing bus system, or a combination of both—public fund support must be there if we are to continue to provide the necessary public transit services.

Many transit experts as well as government officials are facing the possibility that public transportation must receive even more public funding support as an *essential public service*—on a par with police and fire protection, emergency medical facilities, streets and highways and other non-profit community services.

With such increased public fund support, the necessary balance between providing modern mass transit and meeting ever increasing operating costs can be attained. Until that time, the District will face the ever more demanding task of allocating its financial resources between the existing bus system and the rapid transit system of the future.

Senate Bill 325 was an encouraging and welcomed beginning. Only by means of such

progressive and public-spirited response to the needs of the people on the part of our lawmakers can the District continue its role as one of the leaders of the nationwide renaissance in public transportation.

The District Board of Directors is proud, indeed, of the pioneering concepts in public transit represented by the agency's current projects, which will be detailed in the upcoming section.

Respectfully,

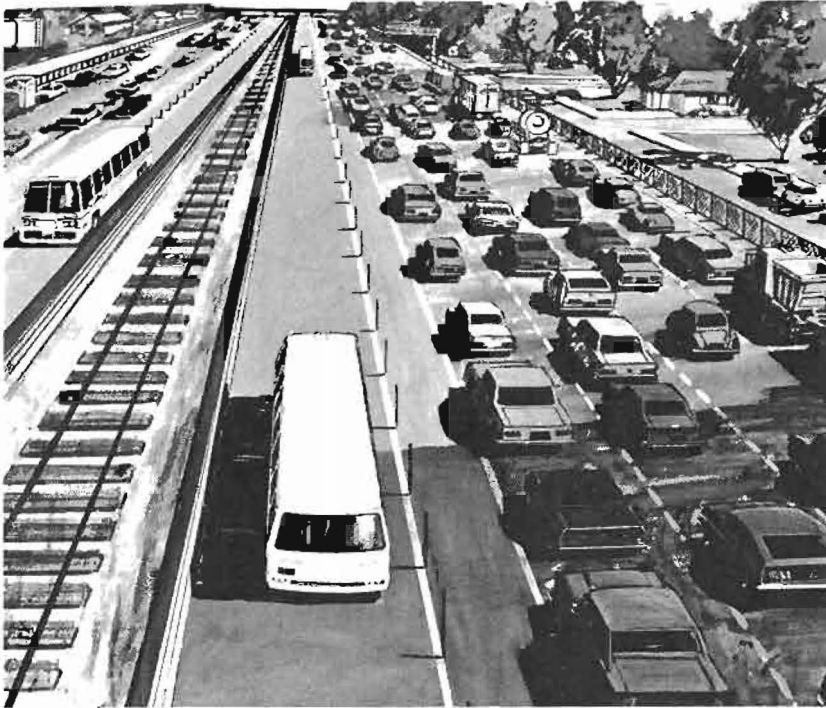
JACK R. GILSTRAP
General Manager



CURRENT DISTRICT PROJECTS

FUNDING APPROVED FOR CONSTRUCTION OF EL MONTE-LOS ANGELES EXPRESS BUSWAY

In June, 1971, the District received approval of a capital facilities grant from the Urban Mass Transportation Administration and the Federal Highway Administration of the U. S. Department of Transportation for



construction of an 11-mile exclusive busway in the median and alongside the San Bernardino Freeway between El Monte and Los Angeles.

Announcing DOT approval of the project, Secretary of Transportation John A. Volpe said: "In our concentration on the need to move numbers of people instead of numbers of vehicles, the use of exclusive busways has proven an effective method of dealing with rush hour, urban traffic congestion. Successful experiments with exclusive bus lanes in the metropolitan areas of Washington, New York and Seattle have demonstrated that commuters save significant amounts of time by parking their cars and leaving the driving to others."

The District believes the Busway represents an evolutionary step between the existing bus system and the county-wide network of rapid transit to come. In fact, since our Busway Flyers will operate in their own exclusive right of way, this in itself is a form of rapid transit. And, of course, the Busway right of way can be utilized for another form of rapid transit in the future.

The El Monte-Los Angeles Express Busway is a joint undertaking by the Rapid Transit District in cooperation with the Urban Mass Transportation Administration, the Federal Highway Administration, the California Business and Transportation Agency's Department of Public Works, Division of Highways, the Southern Pacific Transportation Company, and the cities of El Monte and Los Angeles.

Unobstructed travel in the exclusive freeway bus lanes will allow RTD Busway Flyers to make the 11-mile run from Santa Anita Avenue in El Monte to downtown Los Angeles in 18 to 20 minutes during peak commuter hours at speeds up to 65 miles an hour. It now takes 36 to 45 minutes to make the same trip by car.

Until recently, economy has been the principal advantage the RTD bus system has had versus the private auto. Now we believe the Busway will enable us to be competitive in the areas of speed, comfort and convenience as well.

At least 100 new, more powerful, environmentally engi-

neered Busway Flyers will be scheduled less than a minute apart during "crush" hours. They will be able to carry 6,000 passengers an hour in one free-way lane. It now takes three lanes of auto traffic to carry that many people.

A new, full facility off-line terminal will be built at the Busway's eastern end in El Monte. There will also be two modern landscaped on-line stations at California State College and the Los Angeles County-USC Medical Center.

Busway Flyers will exit the Busway in the vicinity of Union Station at Mission Road, proceeding through the Central Business District and out Wilshire Boulevard to Western Avenue. Alternate service will also be provided into the RTD-Greyhound Terminal at Sixth and Los Angeles Streets.

Present scheduling calls for the first 7 miles of the 11-mile project to be in operation by spring 1973, and the remaining 4 miles in service by late 1974.

FINANCING OF BUSWAY TO BE SHARED

The Busway is budgeted at approximately \$60 million for engineering, right-of-way, construction and equipment, including purchase of 100 new Busway Flyers. Contingencies, engineering, project administration, and escalation are included in the cost estimate.

The District has received approval of a capital facilities grant of \$9.3 million from the Urban Mass Transportation Administration, U. S. Department of Transportation. \$46.2 million will derive from state and federal highway and state grade crossing elimination funds. Of the balance of \$4.3 million, \$3.6 million will be contributed by the Rapid Transit District, and \$0.7 million by the Southern Pacific Transportation Company.

Funds provided by UMTA will

be used to build the new El Monte Terminal as well as two new bus stations along the right of way. These funds will also purchase 100 new buses and provide new bus maintenance facilities.

The El Monte-Los Angeles Express Busway is a five year demonstration project with the following objectives:

1. Demonstrating the value of increased capacity in the San Gabriel Valley Corridor and its effect on time savings, convenience and economy
2. Demonstrating the potential for modifying existing commuter trip patterns by providing rapid and more economical access to job locations
3. Comparing the effectiveness of various feeder trunk line alternatives
4. Testing various alternatives for collection and distribution of commuters
5. Developing community park-ride facilities beyond the end of the Busway
6. Testing advances in bus design, along with new methods of bus propulsion, speed control, communications, safety features, fare collection and associated equipment
7. Evaluating new methods of handling passenger flow
8. Investigating the feasibility of new concepts of joint highway-bus operation by the mixing of autos and buses on the exclusive express bus lanes.

MINI-BUS SERVICE BEGINS IN DOWNTOWN LOS ANGELES

Conceived as a fourteen-month demonstration project to relieve traffic congestion and smog in the downtown Central Business District, the RTD's Mini-bus Service was begun October 18, 1971, preceded by a colorful ceremony well at-

tended by the public and prominent representatives of the city and county.

The Mini-bus Service is based on 19 small buses of a new and innovative design. Each bus has 20 colorful, cantilever-mounted fiberglass seats arranged around the perimeter. This arrangement permits easy access and provides plenty of room under the seats for storing parcels and packages.

Mini-buses were specifically designed to combat air pollution two ways: The new service will enable "downtowners" to leave their cars at home, or in parking lots, when in the Central Business District. And the Mini-buses themselves are propelled by clean-burning natural gas. Mini-buses operate on 5-minute schedules from 9 a.m. to 4 p.m., Monday through Saturday, at a budget-pleasing fare of ten cents.

The little buses serve the area bordered on the west by Figueroa Street, on the east by San Pedro Street, on the north by Chinatown, and on the south by Ninth Street. Due to the popularity of the service and

hundreds of requests, line extensions to Chinatown and Olvera Street were inaugurated June 12, 1972.

The Mini-bus service is transporting an average of 26,000 passengers per six-day week, and has been commended by civic, business and community leaders for its demonstrated contribution to reducing traffic congestion and air pollution.

CONVENTION CENTER "PARK-RIDE" SERVICE HELPS REDUCE CENTRAL CITY CONGESTION, AIR POLLUTION

Closely related to the Mini-bus service in its potential for reducing traffic congestion and air pollution in the Central Business District is the RTD's Convention Center "Park-Ride" Service, introduced November 1, 1971.

Companies and/or employees in the Central City area subscribe to the service on a daily, monthly, or yearly basis. Subscribing commuters drive their automobiles downtown to the new Convention Center





Parking Annex, located at the northwest corner of Pico Boulevard and Sentous Street. There, subscribers self park and lock their cars in reserved parking spaces. Then, right outside, they board a modern, low pollution RTD bus for the quick trip into one of several convenient stops in the Central City.

By June, 1972, of the 600 parking spaces initially allocated to the service, more than 500 had been reserved on long-term options.

It is projected that the District will be required to contract for more space in the Convention Center Parking Annex to comply with the additional demand.

PRIORITY OBJECTIVE OF DISTRICT MANAGEMENT

PERSONNEL DEVELOPMENT THROUGH PROGRESSIVE TRAINING PROGRAMS

Acting on the premise that a transit property can be only as effective as its staff and operating departments, during 1971-'72 the Southern California Rapid Transit District proceeded to expand its ongoing Personnel Development Training Programs.

These consist of four separate but related programs, each

developed to provide a positive answer to the transit industry's perennial question: "Where do we begin today to discover and develop the managers, technicians and other skilled personnel of tomorrow?" Encouraging was the fact that 478 participants successfully completed one or more courses and 42% were members of minority groups.

Funded substantially by the District, the above programs are the first of such broad scope and depth in the transit industry and have four long-term objectives pointed toward this agency's primary function of providing better transit services to the public.

1. To increase employee promotional opportunities through career development.
2. To provide management with a reservoir of qualified replacements to fill responsible middle and senior management positions, and technical and supervisory vacancies as they occur.
3. To improve employees' motivations, attitudes and overall competence by developing a consciousness that they are members of a highly effective team doing a responsible job in a vital sector of public service.

4. To reaffirm the District's position as a servant of all the people by offering employment opportunities and career advancement to a broad spectrum of area residents truly representative of the many communities it serves.

I. MANAGEMENT TRAINING PROGRAM

1. *Transportation Administration Certificate Program:*

A two-year course that provides District employees of demonstrated potential an opportunity to prepare for managerial positions.

2. *Tuition Reimbursement Program:*

For management, technical and supervisory personnel requiring specialized courses to increase their competence and skills in carrying out their job requirements as specialists in particular employee classifications.

3. *Special Courses Program:*

Created to meet the District's immediate need for qualified help in specific operating areas, all employees are eligible to enroll. In addition to courses for current and potential managers, there is a special course for RTD's secretarial staff entitled *Survey of Business for Secretaries*.

II. MECHANICS TRAINING PROGRAM

Developed to provide specialized training and promotional opportunities to RTD utilitymen who have demonstrated mechanical aptitude. Program is made up of 20 weeks of classroom work, followed by 12 weeks of on-the-job training at full-time Utility "A" pay. After

completing this final segment of their training, graduates are placed on the job-eligibility list for Class "C" Mechanic and are advanced as vacancies occur.

Of the 26 graduates of the two 1971 classes, all are now employed as Class "C" Mechanics and waited an average of only 21 days before placement.

III. EMERGENCY EMPLOYMENT PROGRAM

As a sub-agent under the Emergency Employment Act of 1971, the District was awarded a contract and federal grant to make available 38 new positions to expand bus and schedule information services to the public. The grant specified that only 9 positions were to be recruited from predominantly Black and Mexican-American communities. However, the District requested that it be allowed to fill most of these new positions from Black and Mexican-American areas. Due to the District's vigorous recruitment efforts, of the 35 positions filled under the program, 15 individuals are Mexican-American, 5 are Black and 2 Oriental.

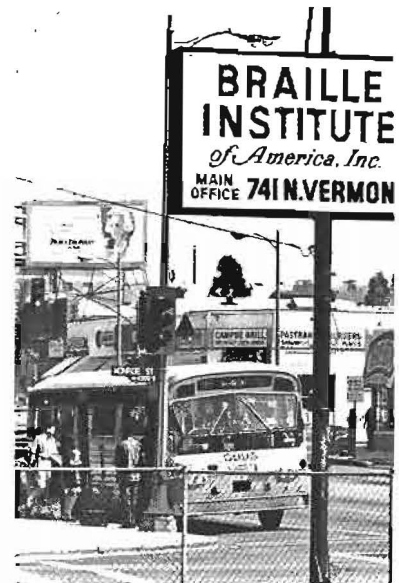
This program has enabled the District to augment its services

by 25 additional buses during peak traffic hours and to improve its capability to provide schedule information to the public.

IV. AFFIRMATIVE ACTION PROGRAM

District policy has always been to develop and utilize potentials and capabilities of employees, regardless of sex or ethnic backgrounds. A recent federal directive requires that public agencies funded under federal programs establish Affirmative Action Programs to reinforce these fair employment procedures, and that minority groups — including women — be represented in all employment classifications.

The District practices the doctrine of "promotion from within" and makes every effort to identify and assist in the development of all employees. However, where no employee is available with the required qualifications, this program authorizes the agency to recruit personnel outside the organization, including members of minority groups who already possess these highly specialized skills.



Due to the District's long-standing position as an Equal Opportunity Employer, and the success of the Personnel Development Programs, 55% of the employees participating in the Management Development Program are members of minority groups, including women. In the Mechanics Training Program, 100% of the graduating classes are so classified.

THE DISTRICT MOVES AHEAD IN AIR QUALITY CONTROL TECHNOLOGY

Since its creation by the State Legislature in 1964, the Southern California Rapid Transit District has been an active participant in a number of experimental and demonstration programs of air quality control. These programs, whether cooperative or unilateral, have quite properly been directed to the goal of developing a low pollution engine for use in all RTD bus operations.

In this connection, the District is now engaged in three continuing projects.

1. Catalytic Muffler Development Project:

One of the District's highest priority projects is to measurably reduce oxides of nitrogen emissions from diesel exhaust.



To this end, and with the expertise of the Atomics International Division of North American Rockwell Corporation and a grant from the Urban Mass Transportation Administration, the District is participating in a project to develop and demonstrate a new type catalytic muffler specifically for use in diesel engines.

Laboratory tests to date indicate that the proposed process will virtually eliminate smoke, odor and hydrocarbons, and at the same time substantially reduce emissions of oxides of nitrogen. When the practical problems involved in placing this new type exhaust device in the bus have been solved, the diesel engine may well prove to be the ideal low emission power plant the transit industry has been trying to perfect.

2. External Combustion Steam Engine (ECE) Demonstration Project:

The RTD is also participating in a project to develop an external combustion steam engine for use in its buses. This project is sponsored by the California State Legislature and funded by a grant from the Urban Mass Transportation Administration.

One of the District's standard 51-passenger buses is at Steam

Power Systems in San Diego, being outfitted with a steam engine. It should be in actual transit service on RTD routes in Los Angeles, late in 1972.

3. Natural Gas Project:

In 1971, the District modified one of its 51-passenger diesel power plants to burn compressed natural gas (CNG). This bus was operated in daily passenger service on RTD Line 83 (Wilshire Boulevard) between downtown Los Angeles and Santa Monica. Results to date indicate a substantial improvement in emissions characteristics.

However, there is one major problem: the inability to carry a sufficient supply of CNG in the bus to effect a full mileage run during the workday. On this basis alone, CNG does not appear to be a practical fuel for use on the District's longer and more heavily travelled routes.

The combustion characteristics of natural gas are the same whether stored in a compressed mode, or cryogenically, in liquid form. Since natural gas in liquid form is comparable in energy per-gallon to diesel fuel, the District is exploring the possibility of obtaining a supply of liquid natural gas for testing in an effort to overcome this

limited-range problem.

Until the above breakthroughs in air quality control are adopted generally for transit operations in our vehicles, every effort is being extended to ensure that every vehicle received and on order conforms to federal air pollution control specifications and those of the California Air Resources Board.

These pollution control performance requirements are being applied to auxiliary vehicles, as well as buses. Every new automobile purchased by the District for auxiliary use will have all smog control devices required by federal and state laws. If gasoline-powered, these automobiles *must* be operated on no-lead or low-lead fuels.

The Southern California Rapid Transit District's concern for environmental factors extends even to radio systems used in auxiliary vehicles. New radio systems are entirely solid-state replacing former vacuum tube sets which imposed high vehicular battery drain and required continual idling of engines. New transistorized radio equipment can be operated for extended periods with minimal battery drain, substantially reducing emissions from engine idling in congested urban traffic.



REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

For the period beginning
January 1, 1971
and ending June 30, 1972.

LYBRAND, ROSS BROS. & MONTGOMERY
CERTIFIED PUBLIC ACCOUNTANTS

COOPERS & LYBRAND
MEMBERS OF THE AICPA
SOUTHERN CALIFORNIA CHAPTER

Board of Directors
Southern California Rapid Transit District

We have examined the balance sheet of the Southern California Rapid Transit District (SCRTD) as of June 30, 1972 and the related statements of revenue, expense and district equity, and changes in financial position for the six months then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We have previously examined and reported upon the financial statements of SCRTD for the year 1971.

In our opinion, the aforementioned financial statements, subject to (1) any adjustment to the June 30, 1972 and December 31, 1971 balance sheet which may result from the ultimate disposition of the rapid transit system development costs described in Note 4 and (2) final determination of the litigation described in Note 5, present fairly the financial position of SCRTD as of June 30, 1972 and December 31, 1971 and the results of its operations and changes in financial position for the six months ended June 30, 1972 and the year ended December 31, 1971, in accordance with generally accepted accounting principles applied on a consistent basis.

Lybrand, Ross Bros. & Montgomery

Los Angeles, California
August 31, 1972

Southern California Rapid Transit District Annual Report 1973-1974



President's Letter

To:
Chief Administrative Officers,
Legislative Bodies of the
Southern California Rapid
Transit District, and Honorable
Members of the California
State Legislature.

Gentlemen:

The fiscal year just passed has truly been one of transition. More innovative, significant, often unprecedented changes and improvements have been effected in the service, equipment, and operations of the Southern California Rapid Transit District in the past 12 months, than in any other single year in the history of our agency.

But the transition has been more than mere change. It has meant growth, in the sense of the gathering of strength to shoulder the responsibilities thrust upon us by a community in very serious—if not yet desperate—need. This is a challenge that is met and welcomed by everyone connected with the SCRTD, from board member to staff manager to employee.

Our preparations to meet this challenge made the 1974 Fiscal Year also the year of decision, and this is an even more significant and

far-reaching effect of the year's activity. As the year ended the Board of Directors formally adopted a resolution establishing the rapid transit plan that will set the course of public transportation in the Los Angeles basin and its environs for generations to come.

The resolution calls for both near-term improvements in our bus fleet and its operation, and for the design and construction of a multi-mode fixed guideway rapid transit system. The conclusions reached, our many realignments of the consultant's recommendations, were achieved only after long days—and evenings—of hard work. The result is a true community plan, discussed at over 250 community meetings, public hearings, and conferences with government officials at all levels.

During these long months one emotion was strongly rekindled in every member of the board (and possibly the only point on which every one of us will ever unqualifiedly agree): an appreciation for the extremely high level of professional capability of the internal staff of the SCRTD. The people of Los Angeles are fortunate indeed to have an agency of this experience—with managers and administrators who have proved their knowledge and competence

in the business of carrying people—to design, plan, build, and operate the rapid transit system we envision. They are operators, not just theoretical planners, of transit systems.

The citizenry can choose to take advantage of this unique, "built-in" capability (since it is their own agency) in the election this November. That is when they will decide on the tax measure placed on the ballot to supply or deny the financial support necessary to bring our plans to life.

Just as we seek your support for this measure, along with that of every community and governmental agency in the basin, we urge the people to cast their vote for progress. For it does represent the future progress of this area, and I'm convinced the public can place it in no more capable hands than those of the Southern California Rapid Transit District professionals.

Respectfully yours,



Thomas G. Neusom
President and Director

Board of Directors

The tempo of activity and involvement by the SCRTD Board of Directors increased tremendously during the year. It matched directly the swift-ening pace of planning and formulation of the rapid transit/bus improvement program envisioned for the District. Meetings were called with increasing frequency. Volumes of reports, studies, and statistics littered members' homes and offices. Working committees and regular meetings in which members interface with RTD staff managers made further demands on their time.

Diversity and balance are the foundations of the Board's structure. Its members, all successful people of proven accomplishment, represent many diverse talents and backgrounds, as well as geopolitical points of view. Two are appointed to the Board by the mayor to represent the city of Los Angeles. Five are appointed by the County Board of Supervisors, one for each district. Four are elected officials from communities within each of the four transit corridors that connect the outlying areas of the Los Angeles Basin.

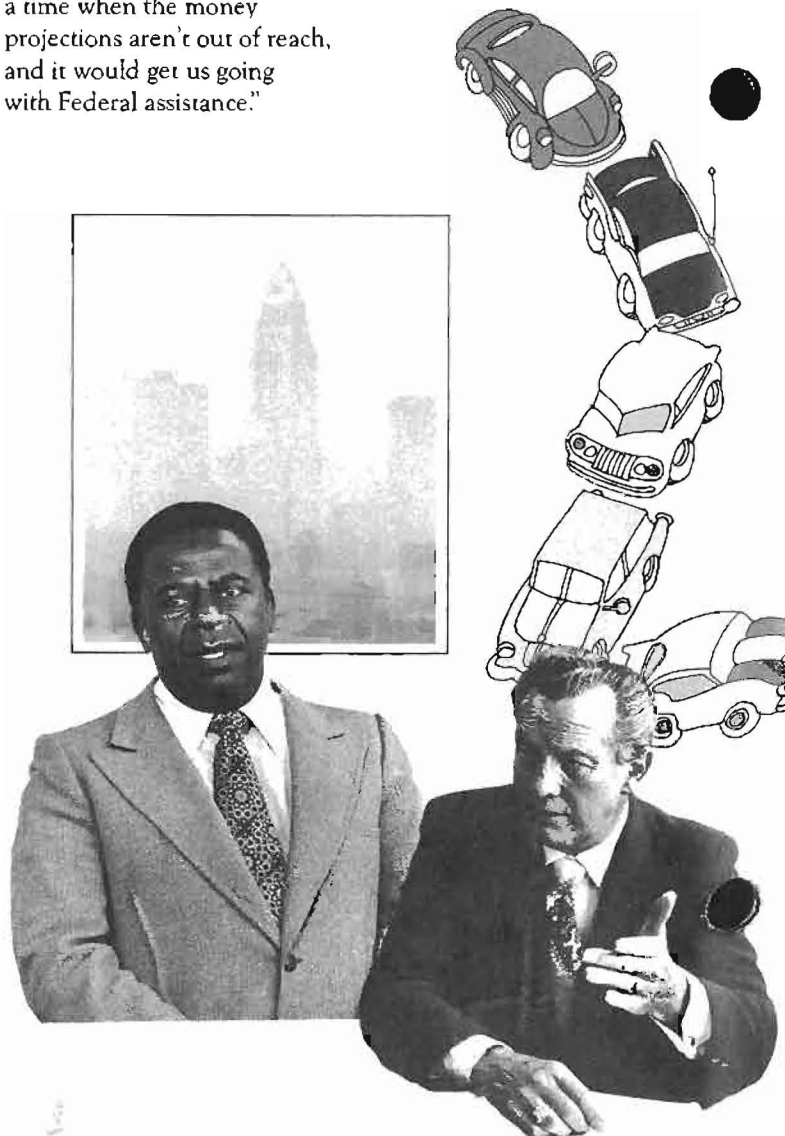
All have their own independent conclusions and opinions about the task at hand, and they do not hesitate to voice them when asked, or even when not asked. But all have at least one thing in common. They have dedicated, and they commit, their own time and effort enthusiastically to the accomplishment of an objective they believe vital to the growth and well-being of their community and its citizens.

Thomas G. Neusom,
president
Attorney at law, Los Angeles; former member, State Hospital Planning Commission, County Assessment Appeals Board, Welfare Planning Council.

"Los Angeles has been a long time reaching the point where it is right now. We're at the crossroads. Look at that pale gray coating of smog. Look at the price of gasoline. I don't think a lot of people are fully aware of the part a transit system would play in alleviating the problems and in improving the quality of life in the Basin. ... The best argument for the vote to spend several billion dollars—if we turn it down, the chances of it ever passing become remote. It represents a start at a time when the money projections aren't out of reach, and it would get us going with Federal assistance."

Bryon E. Cook,
vice president
Councilman, past mayor, Burbank; attorney at law

"We've come up with a modified proposal that encompasses the best the consultants could give us. ... I used to be a bus driver. ... People ride buses for two reasons: necessity and convenience, and for no other reason. Our system is either convenient or it isn't. It's either necessary or it isn't. I chaired a meeting for 12 solid hours; I know the criticisms of the communities. The energy crisis is fresh enough that people can remember standing in line for gas. ... The alternative—not having a rapid transit system—is too odious to contemplate."



Arthur Baldonado

Attorney at law, West Covina;
member, school board

"The activity this past year has been very, very time-consuming. I enjoy it... You have to tell the truth, the facts, or the opponents of mass rapid transit, or sales taxes or any tax, are going to pick it apart. The 1974 dollar is a meaningless figure because construction is going to phase in and out over ten years. The El Monte Busway is an example of something that worked... the number of agencies that were involved... how smoothly they were able to work together... I don't mind being a minority of one. But we all want to see a start on the system. If this measure fails... we'll miss the boat on Federal funding."

George W. Brewster

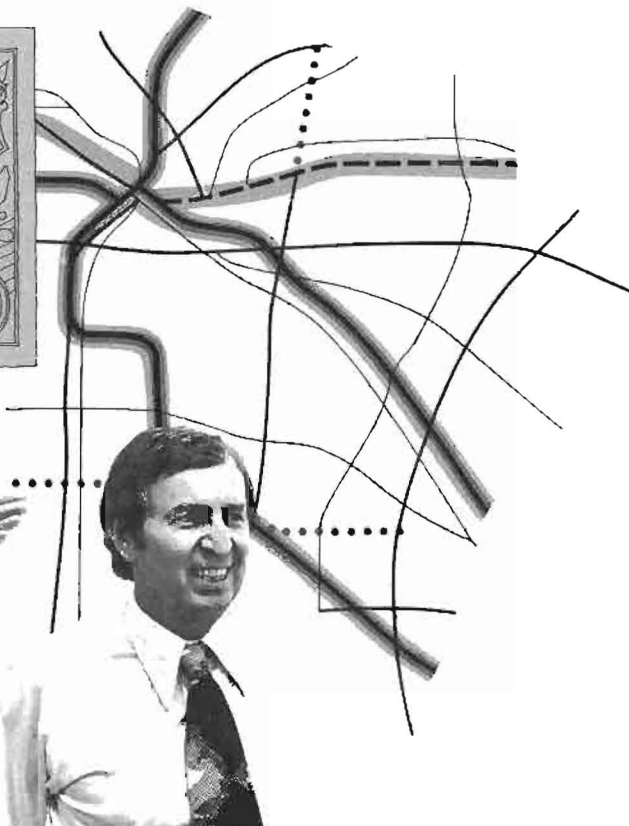
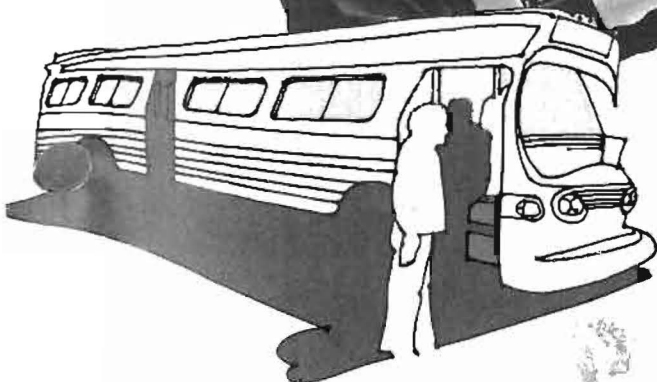
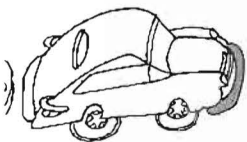
Councilman, Torrance; investment and financial planner; board chairman, Torrance YMCA; member, Red Cross board, South Bay Transportation Committee.

"There has been a shift in public attitude... more concern about broader social issues. Typically with the American public, you have to have a heart attack before you begin to take care of yourself. The EPA is going to start enforcing things that will make public transportation more desirable... I think our plan will be generally acceptable to everyone because it is a dedication to ultimately good service... A misconception is that our system is going to totally displace the automobile. It isn't. Consultants have said they would consider it highly successful if it diverted 15 per cent of the automobile traffic."

Hugh C. Carter

Chairman, Hugh Carter Engineering Corp., Garden Grove; technical author, reviewer

"The writers of the law that structured the Board balanced the power well. The city representatives don't dominate... the corridor people are in political life... the county has its point of view. If a mass transit system is going to have any kind of chance it's got to have this broad sort of overview... My idea is to start at the outer reaches, then grow inward. You can't build a mass rapid transit system that's small. It's a basic conflict. We've got a tremendous momentum, enough hard data in our studies that we know the system will work."



Victor M. Carter

Retired corporate officer, banker, businessman, Los Angeles; philanthropist, entrepreneur, community leader, art patron

"People like the 25-cent fare. Many more have ridden in buses and understand the RTD better. If we've given them good service they'll vote for the measure. We've got to realign some of our routes to go down the main streets—the main streets now, not the main streets of 20 years ago. ... You can't expect people to get out of their cars if we don't have the system. We're going to keep improving the things we have until we can get the rapid transit started."

Albert J. Eyraud, Jr.

President, Asbury Transportation Co., Beverly Hills; government transportation advisor and consultant; director of charitable organizations; civic organizer

"Back in 1947 I tried to get rights-of-way down the center of the freeways. Freeways are an essential part of a balanced transportation system. But they're devoted to the principle of moving *vehicles*. We need a system to move *people*! There's been no metropolitan area in the world ever developed without public transportation. ... I've ridden BART. It's great! ... I'm a member of the highway lobby. The oil companies are my customers. They ask how I can wear all these hats. It's simple: I know I'm right. Sooner or later the community is going to understand you can't do this with an automobile."

Adelina Gregory

Councilwoman, past mayor, Baldwin Park, housewife; 11-year public servant

"They say people have forgotten the fuel crisis already. I don't think so. People really have a fear of getting stranded. When they get to the polls in November they'll say it's either additional tax—and God knows we don't need that—or what happens when we run out of gas? It's going to be very elementary. It's bread and butter. ... When you're buying something today you make sure you get something in return—it's not very much these days, so it's got to be the very best. The people who go to the polls are very practical, and they've got to know what they're buying with their vote."



Don C. McMillan

Retired city manager, Pasadena; former city engineer; board member, Metropolitan Water District; 40-year public servant

"I was a streetcar conductor in Denver. ... Started the bus system in Ventura after World War II. This time the Board has adopted a plan all the way through; we know just what we're going to do. People are smart—they aren't going to vote for it unless they know about what's going to happen. ... More and more people are coming to know the RTD. Service—that's the key to the whole thing. ... How much time do I spend on Board work? Too much! You get a roundup to read each month, 10 or 15 reports... it takes hours! But you have to do your homework."

Jay B. Price

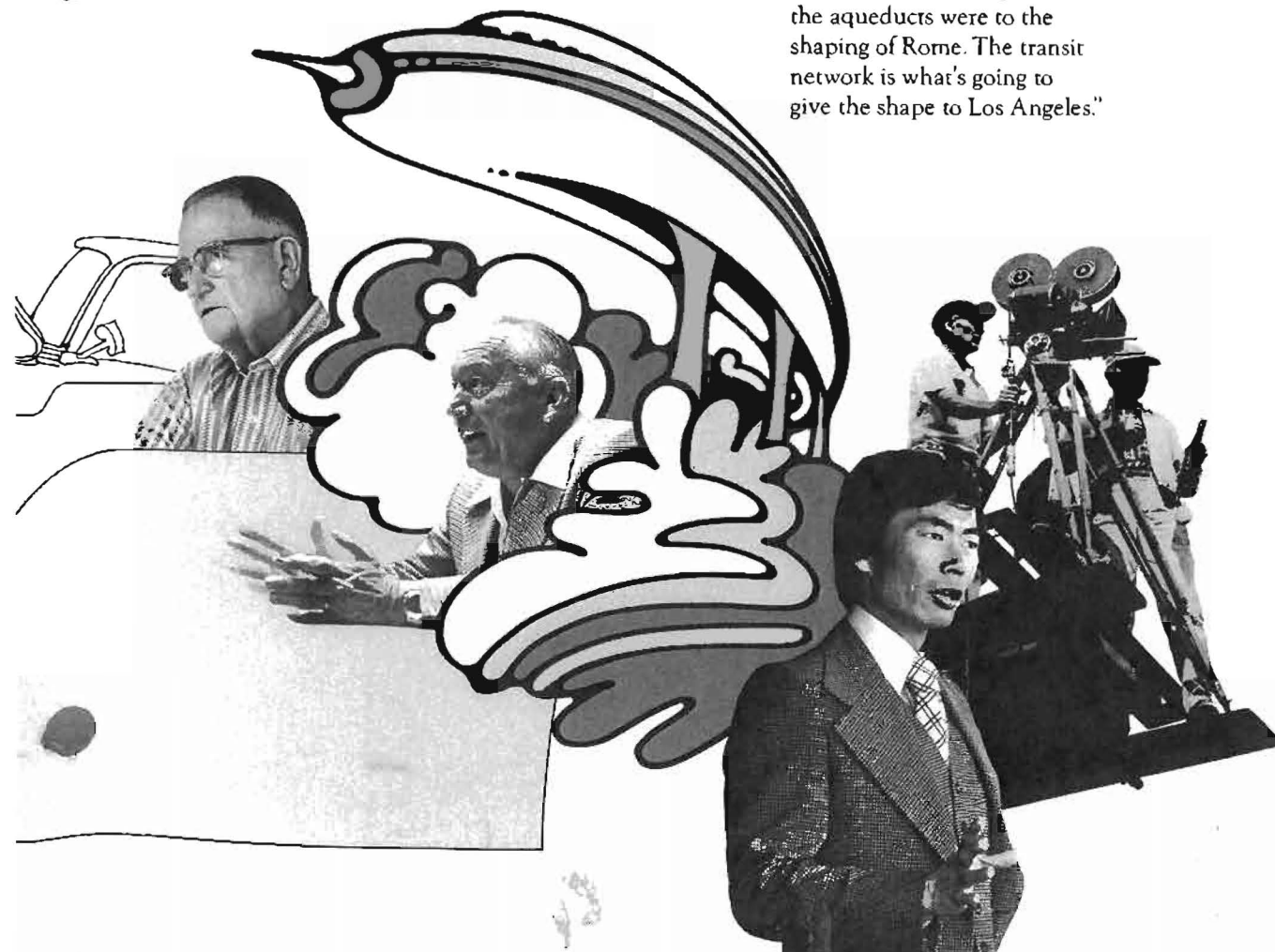
Mayor, Bell; U.S. Treasury officer; chairman, Sanitation District No. 2; 17-year city councilman

"I can remember riding the Red Cars as a child. We had 1100 miles and you could go anywhere. It would be terrific to be on the Board that reverses this process, to bring back what we had. We'll never see 1100 miles again... and it'll be a different mode. ... The proposal we now have, the multi-mode system, is absolutely perfect! ... This is the way we've got to go, or we're never going to have free highways or clean air around here. ... We're the largest metropolitan area in the world with no viable mass rapid transit system. If the voters turn this down we'll never see it in our lifetime. It's now or never!"

George Takei

Actor, TV moderator, Hollywood, Los Angeles; active political campaigner and committeeman; student of city planning, architecture

"I have a sentimental thing about Hollywood... saddened by the direction it seems to be going. I think the mass rapid transit system can play a key role in revitalizing it. The transportation system can be a real instrument for recycling neighborhoods, urban centers. Some people are afraid it's going to change their single-family lifestyle. I think holding back progress only invites that inevitable day when we do have to give it up. We need to organize, plan that progress so we can keep the desirable aspects of our Southern California lifestyle. ... I think the issue in November could be as important to Los Angeles as the aqueducts were to the shaping of Rome. The transit network is what's going to give the shape to Los Angeles."



Executive Staff

The key to the successful functioning of the Southern California Rapid Transit District is the smooth interaction of its Board members with the internal executive staff and members of management. These are the professionals, the highly qualified men and women who have made the development, operation, and improvement of public transportation their lifetime careers.

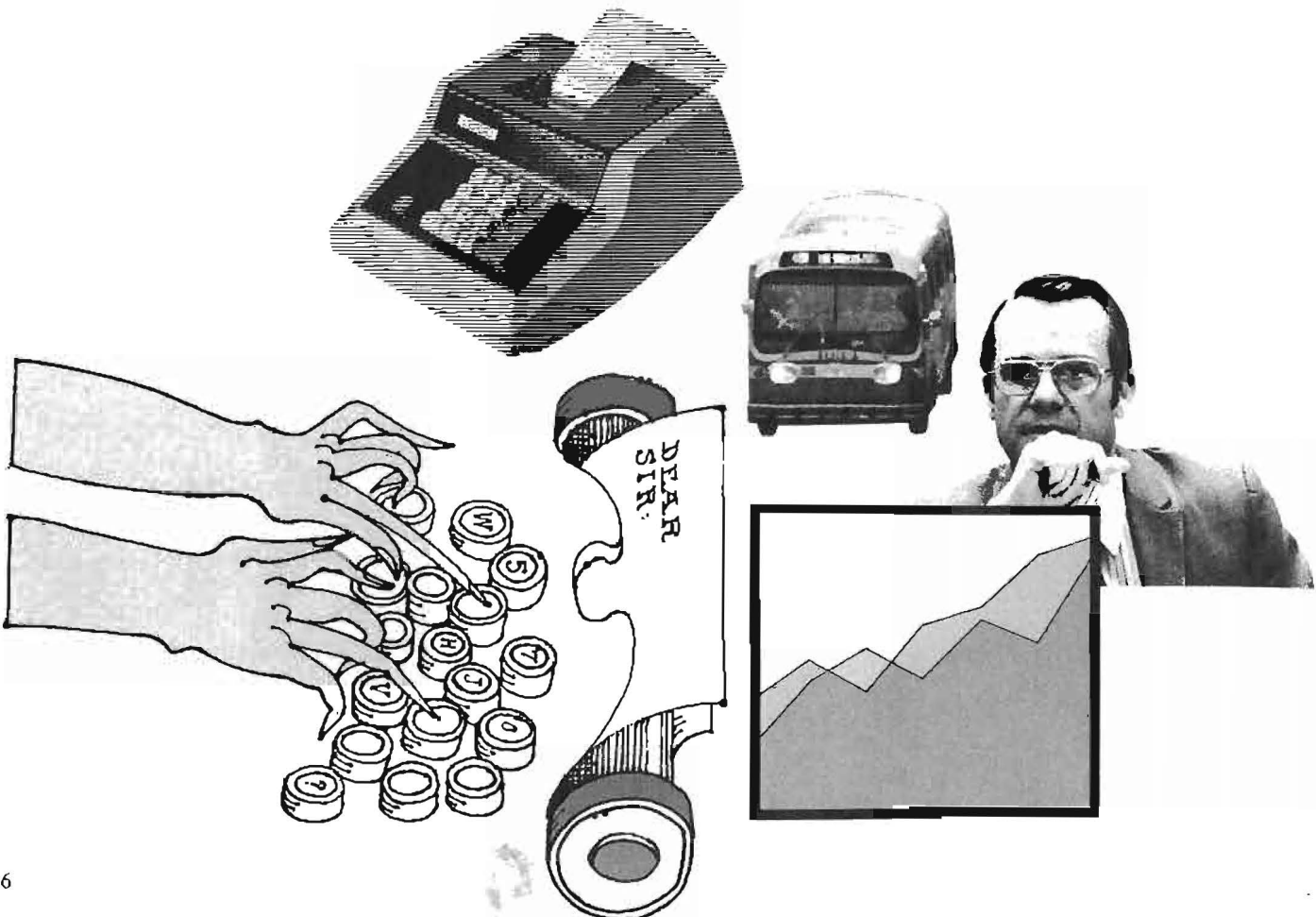
The Board generally establishes policy; the staff implements it. The Board develops long-range planning; the staff follows that direction in generating various specific programs and means to carry it out, then presents these programs back to the Board for approval. Because the staff

is a full-time, professional group, a majority of its reports are self-generated, while a smaller number are actually the result of a directive to the staff.

This is a result of the confident delegation of authority and responsibility that can be made to a capable management staff. Each department head within the RTD is an experienced manager, highly trained and qualified in his own special field, with an able staff under his direction. On problems or programs that are agency-wide in scope, various executives are brought together on special standing committees to examine the issues. Many policy recommendations are evolved in this manner, then presented to the Board for approval and adoption as an official policy of the District.

Executive Staff

Jack R. Gilstrap, *general manager*
George W. Heinle, *manager of Operations*
Jack Stubbs, *assistant general manager for Administration*
Richard Gallagher, *chief engineer*
Joe B. Scatchard, *controller-treasurer-auditor*
Richard T. Powers, *general counsel*
George L. McDonald, *manager of Planning and Marketing*
Roy S. W. Gregory, *director of Public Information*
Richard K. Kissick, *secretary*
Robert Williams, *deputy administrator—Equal Employment Opportunities*



Report from the General Manager

Fiscal 1973-74 began with the addition of new routes, improvements, and services that are the normal evidence of activity in fulfilling the first half of our legislative mandate. But the year soon took on a different flavor. It suddenly looked like a year of crisis as the Arab nations' oil embargo brought on the nation's first, near-paralyzing fuel shortage.

Several of our technical executives, along with concerned public officials, made trips to Washington and Sacramento to apply for the extra fuel allocations necessary to keep the District's buses — and the area's economy — running as near normal as possible. Many Los Angeles citizens took a closer look at SCRTD. Our ridership quickly increased by three per cent — a healthy jump in terms of the half-million rides a day we were then logging.

These were actually the first indications of a fundamental, and highly significant, change in public attitude and thinking. In our geographical area particularly, people

realized how vulnerable they were to the crippling effects of a shortage of gasoline. It became painfully obvious that an alternative to the private automobile must be found.

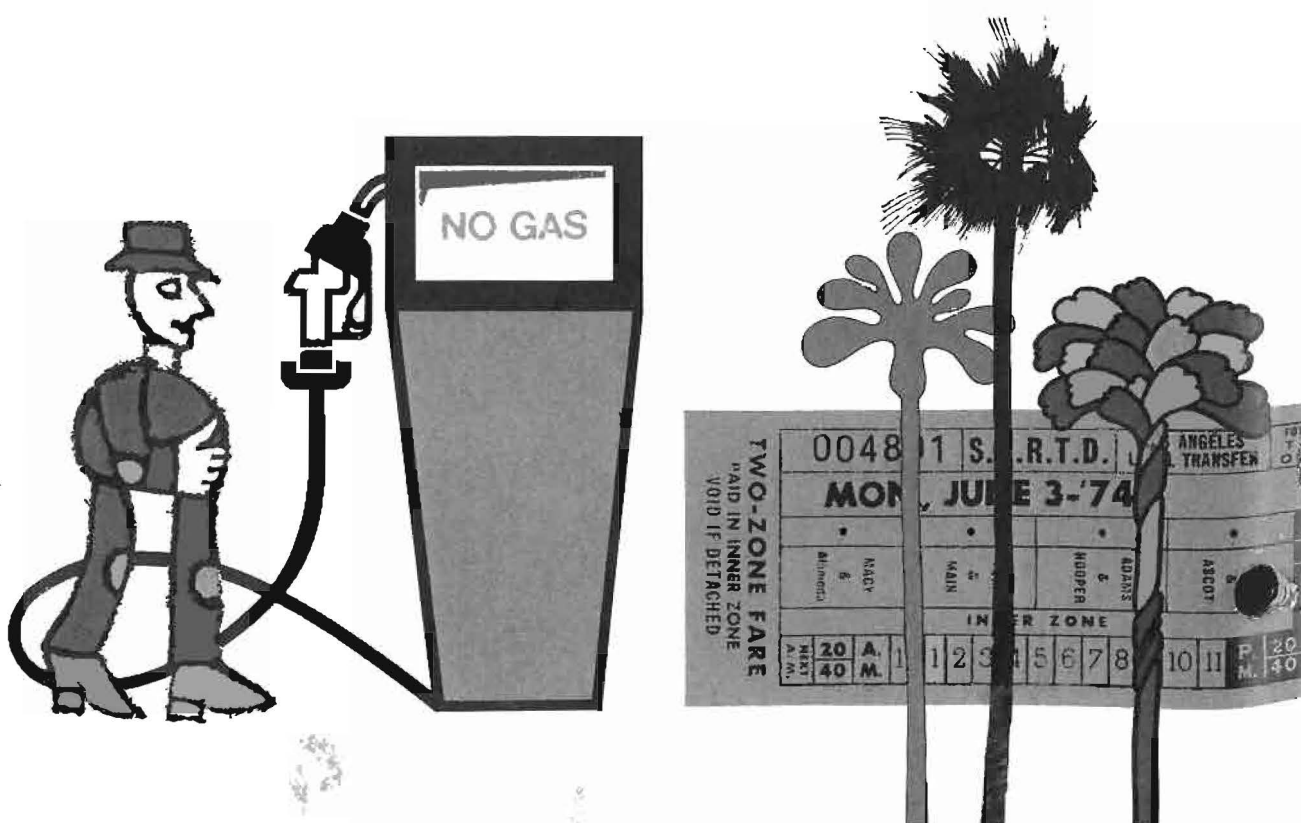
The District then began a series of steps which have been termed "auto disincentives" but which might more properly be called "public transit incentives." We introduced thousands of new riders to our buses in an imaginative 10-cent "Sample Sunday" program, the idea of our Board of Directors, in which riders could go anywhere in the system for a dime on Sundays.

The Los Angeles County Board of Supervisors courageously went even further and agreed to subsidize a three-month 25-cent flat fare experiment. This program brought the additional benefit of the elimination of the confusing maze of fare zones the District had been saddled with for years.

With the price of a ride on any line in the county a flat 25 cents everyday, transfers a dime, the public boarded RTD buses in steadily increasing numbers. Patronage was up almost a full 20% as the experiment neared its close, and the Supervisors voted to continue the fare subsidy for another full year.

So even as the fuel crisis abated, in terms of availability if not cost, the significant change in public attitude did not. The passage of Proposition 5 and the accompanying ballot measure A in the spring election — authorizing the use of some gasoline tax funds for rapid transit capital construction — was further proof.

And by the time of this report, when we were carrying some 650,000 passenger-trips per day in our service areas, operating and maintaining approximately 1859 transit vehicles, the public's attitude had apparently crystallized into an even more significant form. Not only did people realize that an alternative to the private automobile must be found, many felt



they had already found it in the RTD. By their patronage they indicate that the alternative already exists, in our current, continually improving bus system and the long-range rapid transit plans worked out and proposed by the District.

The change of public attitude also represents an acceptance and recognition of the capabilities of the agency and its personnel that is highly gratifying. And it is fully justified, as shown by a brief recounting of only a few of the many other activities and innovations accomplished during the past year.

These include such programs as increased Park and Ride services, special summer beach routes, Hollywood Bowl and race track service, and other new lines, extensions, and services. In the last four months alone the district recruited, trained, and put 640 new employees into full-time duty to handle these steadily increasing operations.

We expanded our bus fleet by 250 vehicles—approximately the size of the entire San Diego bus system. Many of these were retired buses from transit systems in cities such as Fort Worth and Atlanta. Our maintenance personnel worked hundreds of overtime hours to perform the necessary repairs and preventive maintenance to insure their safe operation yet get them on duty to serve our new riders as quickly as possible.

It is a tacit tribute to the efficiency, dedication, and skill of the personnel involved that all of these programs were carried out without a flaw, with no impairment in our schedules or safety record. Looking to the future, the District has stepped up its aggressive training and development program for management personnel and trainees. The permanent goal of this effort is the same as that in all our training activities: To make a good agency function even better.

The thrust of the past year unquestionably has been

toward the future. In this regard, we have been preparing for some time for the massive job to be done in the rapid transit project approved by our Board of Directors on July 2, 1974.

In order to be fully "up to speed" and ready to take the first step immediately upon receipt of an affirmative vote by the public on the tax measure in November, we have been engaged in planning and structuring a discrete Rapid Transit Division within our organization. This buildup actually began two years ago when we began carefully monitoring other similar projects under way throughout the country.

After studying the successful and unsuccessful elements in these programs, we drew up our initial organizational structure, then called in outside consultants to study and analyze it. From their recommendations we refined our plans which were subsequently submitted to our Board of

Directors, then subjected to further study and refinement.

The effect of all this scrutiny and revision has been to answer many difficult and vital questions as to the organization and procedure required for the successful implementation of a multibillion-dollar construction program, one that might be the largest single such effort ever undertaken in our country's history.

The Southern California Rapid Transit District does not intend to be surprised by a yes vote on the future of public transportation in our community. We have the personnel, the assigned responsibilities, the structure, the organization.

We will be ready when the voters give us the green light in November.

Respectfully,

Jack R. Gilstrap
Jack R. Gilstrap
General Manager



Operating Highlights

Fare Reduction Program

The District's three-month experimental 25-cent flat fare program, which started with the granting of a subsidy by the Los Angeles County Board of Supervisors April 1, was an unqualified success. Consequently the subsidy was extended and will be in effect seven days a week for a full year. Provisions to extend the 25-cent bus fare through 1981 now exist as a part of the rapid transit and bus improvement plan which will be on the November ballot.

On June 10 the five millionth additional passenger to ride since the start of the program boarded an RTD bus. By the final day of the program the District had carried a total of 43,380,254 riders, an

increase of 19 per cent. This meant that an additional 6,857,170 passengers were carried in Los Angeles County during the experimental period.

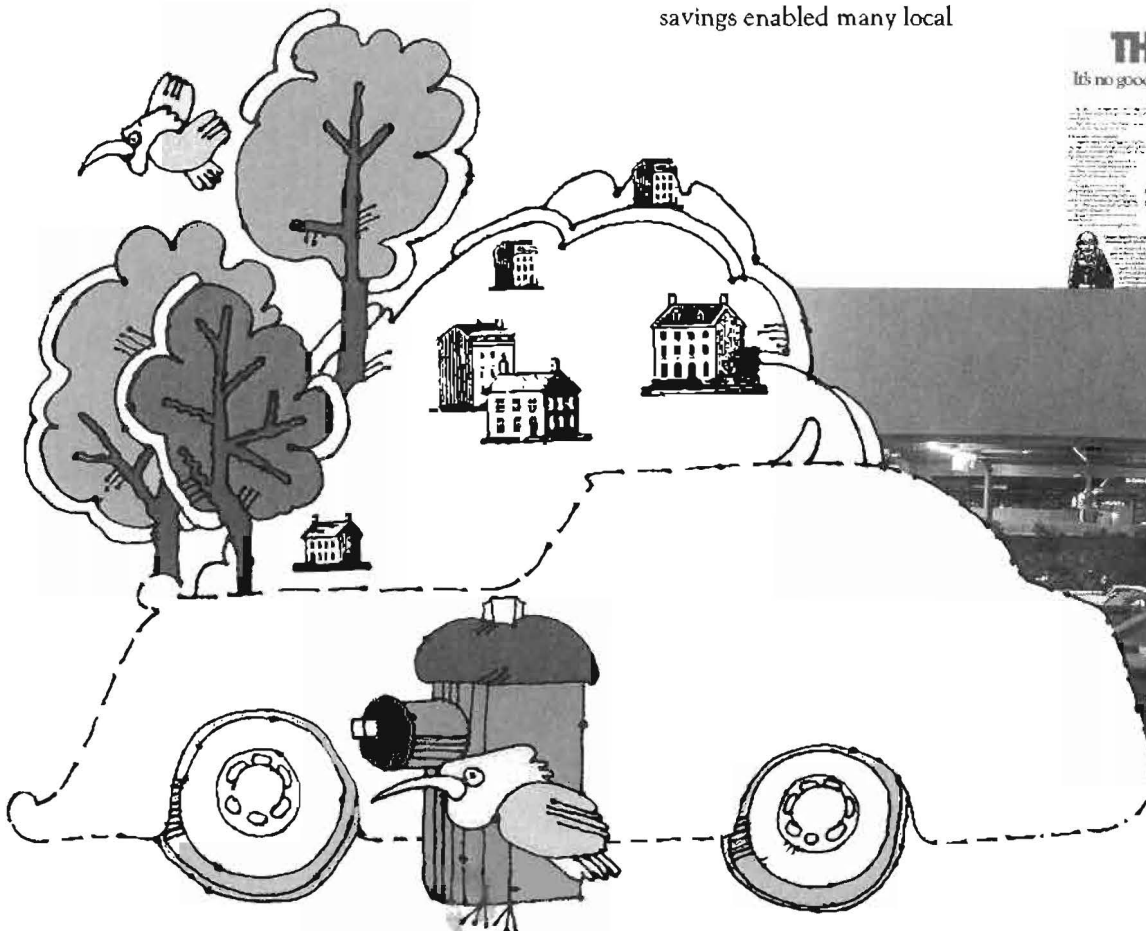
The social, economic, and environmental benefits of the reduced fare plan underscored the significance of the program's success. More than 31,500 automobiles were absent from county streets and freeways each day, saving more than three million gallons of gasoline as a result. Ridership increased gradually over the 13-week period, with a 24 per cent increase recorded during the final five weeks of the program.

The success of the flat fare resulted in a continuation of the subsidy by the Los Angeles County Board of Supervisors for the entire 1975 Fiscal Year at a cost of \$32.5 million.

The added mobility enjoyed by the thousands of new riders was one of the program's greatest benefits. The cost savings enabled many local

residents to explore employment opportunities in areas outside their own neighborhoods. It also helped countless others take advantage of low-cost transportation for commuting to work or shopping areas they might previously have been unable to reach.

The flat fare experiment also received the hearty approval of the District's bus drivers. The elimination of the cumbersome system of zone changes did away with one of the greatest bones of contention between passengers and RTD drivers. The simplified fare system made bus usage much easier to understand, faster (through quicker loading and the elimination of zone check collections), and thus much more enjoyable by all.



THE 25¢ FARE

It's no good if you don't know how to use it.



El Monte Busway

Operation over the final four miles of the El Monte-Los Angeles Express Busway was inaugurated as the fiscal year came to a close. The success of this high-speed, reserved freeway lane bus system, which is actually Los Angeles' first rapid transit service, is stated forcefully by the mere statistics of its patronage. Ridership has increased from 3000 to more than 11,000 daily.

Just before the end of 1973, residents of Arcadia, South Arcadia, Temple City, Rosemead, San Gabriel, and surrounding areas welcomed the opening of the Del Mar Avenue buses-only on- and off-ramps. Occupants of the 62,000 homes in the region were able for the first time to board buses in their neighborhoods on three new RTD routes which, by utilizing the new ramps, feed directly onto the high-speed special bus

lanes running down the center of the San Bernardino Freeway.

By boarding the buses at various locations near their homes, these patrons could save the drive to the El Monte Busway station—nerve center for the system. It is calculated they can save 18 to 20 minutes on the downtown trip because of the new ramps.

The ultra-modern El Monte station, however, is not to be avoided if one appreciates architectural achievement. In March the \$1 million terminus was accorded the National First Honor Award of the Society of American Registered Architects.

The idea for the two-level, circular building was initially conceived by the RTD staff. It is the first such station

in the United States to be built exclusively for a busway, operation.

Located on a 15-acre site at 3501 North Santa Anita Avenue, just north of the San Bernardino Freeway, the landscaped structure provides convenient passenger boarding from 10 loading platforms. Inside the station, escalators and stairways transport the busway patrons from the parking lot to the upstairs information and waiting room and the loading platforms that surround the building. The initial 700-space parking lot has been enlarged to double the capacity.

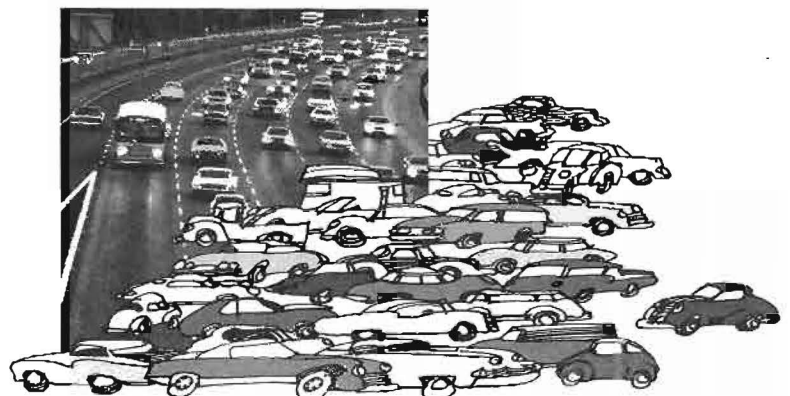
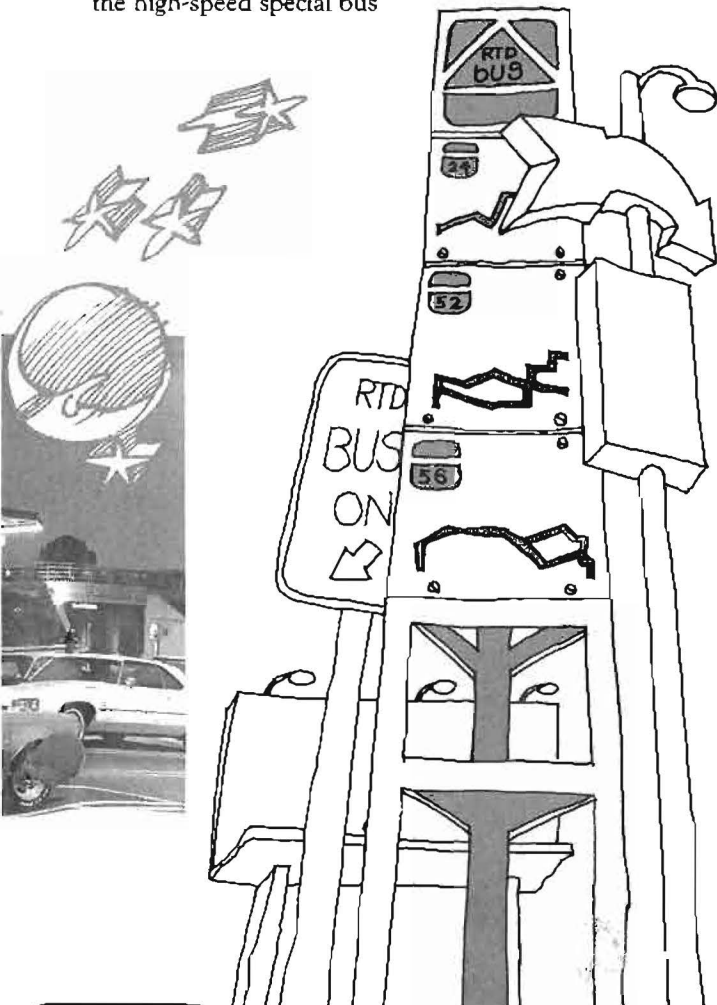
The full 11-mile busway system will be complete with the finish of construction of two intermediate stations along the route in late 1974. These facilities are located at Cal State University, Los Angeles, and at the Los Angeles County-USC Medical Center.

mid-May when the east curb lane of Spring Street was coned off for the exclusive use of RTD buses. The buses travel northbound while traffic on the other three lanes runs one-way southbound.

After the first six weeks of operation the program was called a resounding success. A survey conducted among the people most affected by the pioneering system—pedestrians, auto drivers, businessmen along the route, and bus passengers—revealed that they judged it a safe and uncomplicated transit innovation.

Contraflow Bus Lanes

The first contraflow bus operation in the city of Los Angeles was introduced in



Although the Spring Street operation was undertaken primarily as an experiment in signaling and signing, as well as to introduce the contraflow concept to the city, the survey indicated that significant time savings resulted for both buses and auto traffic. A 21 per cent increase in morning peak auto speeds on Spring Street was recorded, and a 40 per cent increase in afternoon peak speeds on Main Street with the rerouting of many of the northbound RTD lines to Spring Street.

The contraflow bus traffic is integrated with the El Monte Busway eastbound, and the express busway patrons have reported substantial time savings as a result. Consequently the District is completely revising its schedules for the Busway Flyers. There

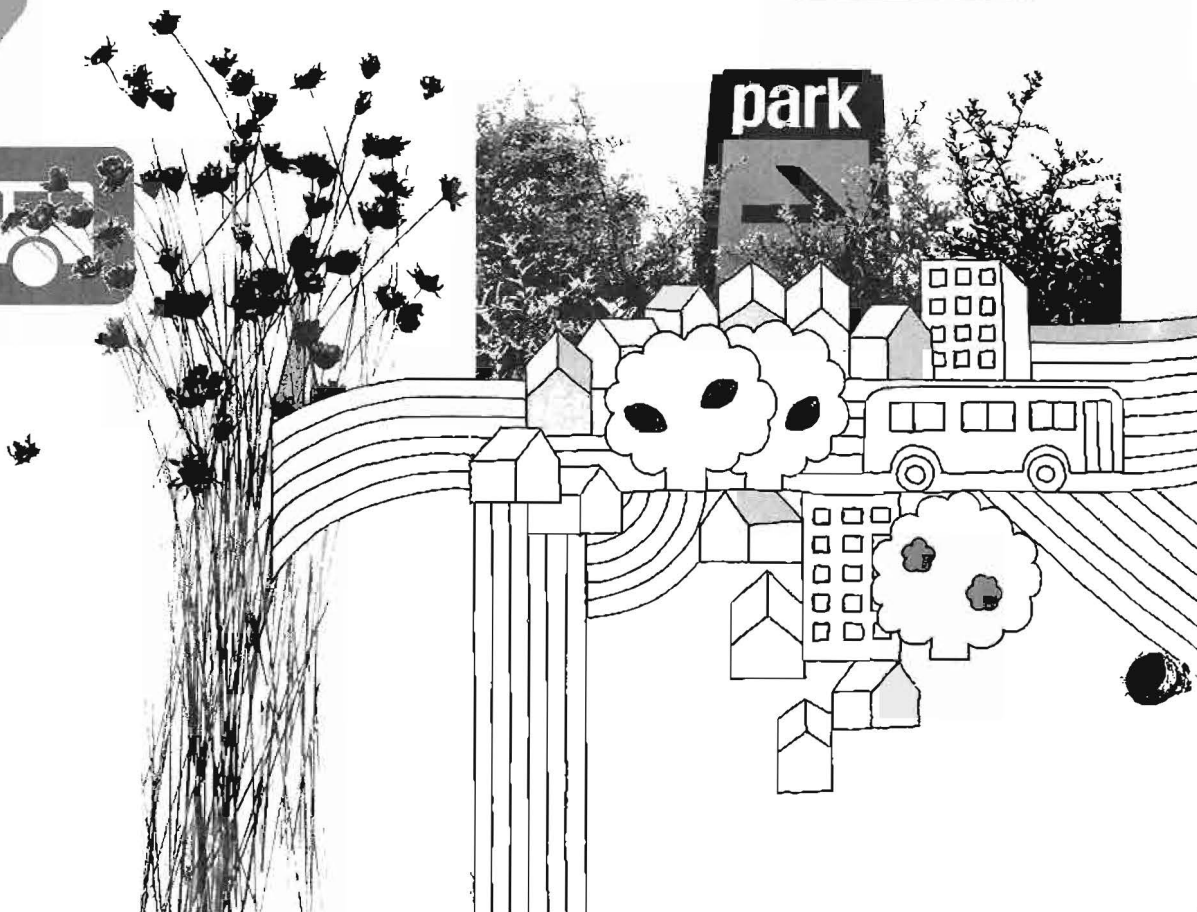
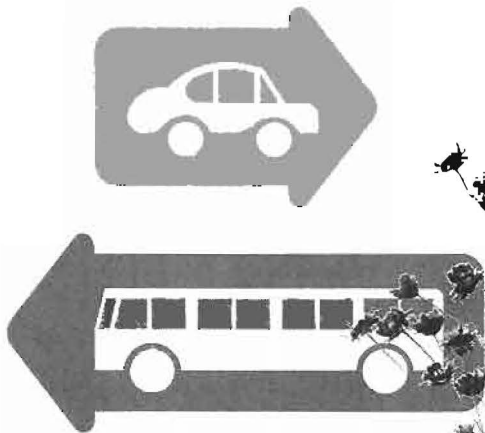
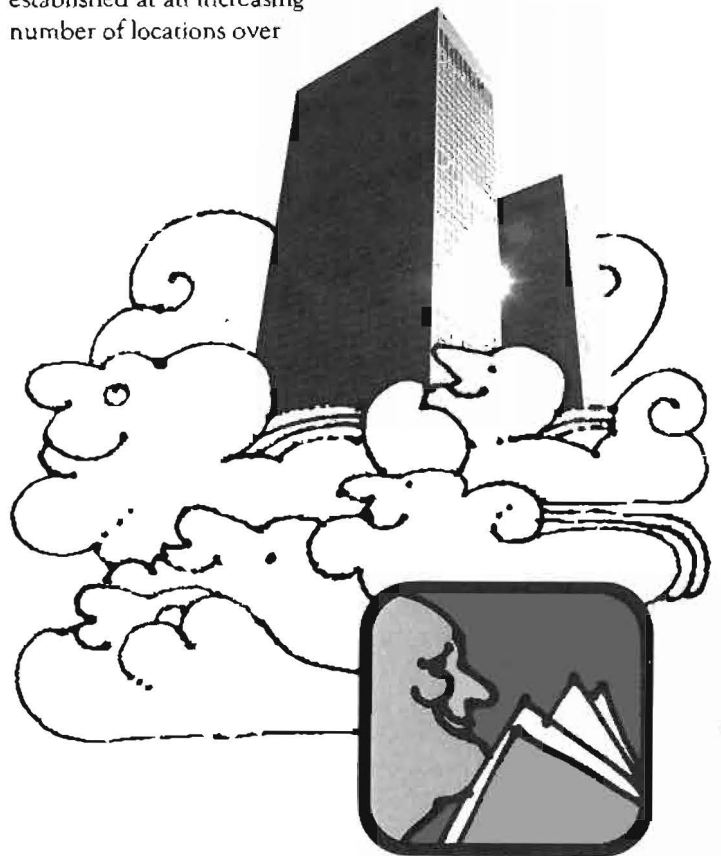
have been no significant delays since the lane's first day of service, and 93 per cent of the people surveyed indicated they would have no difficulty understanding the signs and signals which mark the contraflow lane.

A further aid to understanding routes and other information is provided by new prototype bus signs installed in conjunction with the Spring Street contraflow lane. The three-sided kiosk-type signs stand eight feet four inches tall and can carry up to 15 panels of route information. The familiar triangle concept designating a bus stop has been incorporated into the new design.

Similar signs, if these prove their continued effectiveness, may be installed throughout the Central Business District, and eventually at all 20,000 RTD bus stops in the system.

Park and Ride Program

Among the most popular service improvements the District has implemented are the Park and Ride facilities established at an increasing number of locations over



the Southland. This program is both an indicator and a cause of the growing patronage of RTD bus transportation in the area.

The most recent Park and Ride lot to be opened was that in Studio City. The eighth such facility, it joined lots already in steady use at the downtown Convention Center, the El Monte Busway terminal, La Mirada, San Gabriel, Burbank, Van Nuys, and Manchester-Broadway.

Parking is available at 25 cents a day or \$2 per month. The fare from all Park and Ride lots to downtown is 25 cents, as it is on all RTD buses everywhere. Purchase of a \$10 monthly pass, available at the Park and Ride facilities, is good for unlimited riding on all RTD buses in Los Angeles County, further adding to the savings.

A "package" price of \$12 is thus possible as the most economical option. In addition to cost savings the parking lots offer peace of mind to the car owner, as they are patrolled throughout the day.

Subscription Service

In his first official act last summer, Mayor Thomas Bradley personally greeted workers alighting from buses on three new subscription service bus lines on their arrival at Arco Plaza in downtown Los Angeles. The event signalled the official recognition of this rapidly growing program as an important contribution to the requirements of fuel conservation and pollution abatement.

The new subscription lines, from the Arcadia, Hacienda Heights, and Palos Verdes vicinities, joined that from the Canoga Park area, the original line in the program. Since that time lines emanating from the Huntington Beach/Cerritos area and Westlake Village in the far San Fernando Valley have been added to the system.

Subscription service, offered to all commuters for a pre-paid monthly fare, gives them a reserved seat on a deluxe, air-conditioned bus with its own express route. The Atlantic Richfield Company, a pioneer promoter of the system, shares in the cost of the monthly passes for its employees.

The subscription service has proved to be more economical than the cost of fuel, wear and tear on both driver and automobile, and expensive monthly parking. It offers commuting that matches the automobile in speed and exceeds it in economy—and often comfort. Passengers have an opportunity to read and relax instead of fighting freeway traffic.

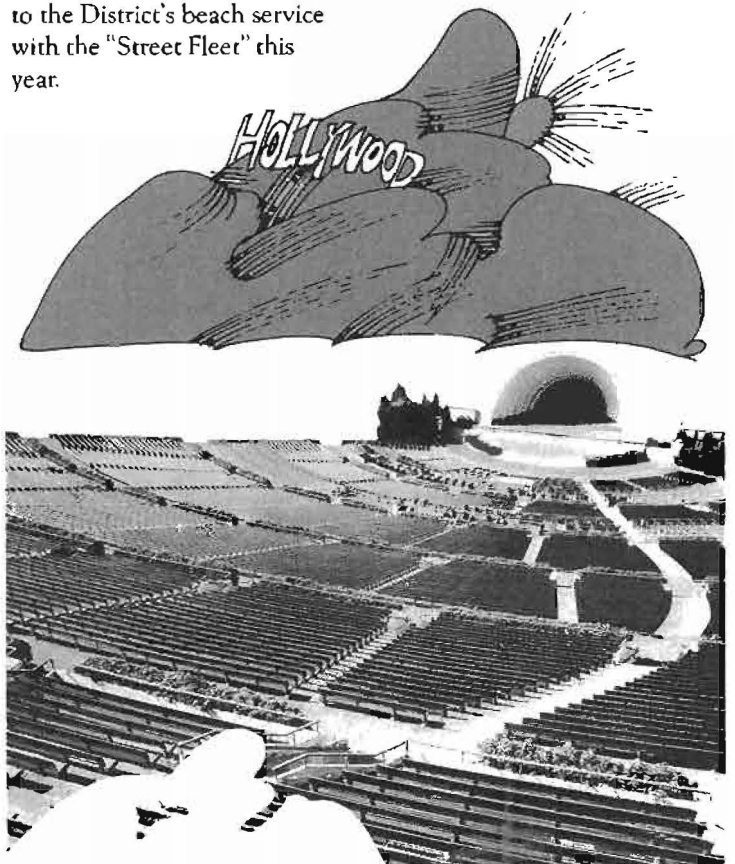
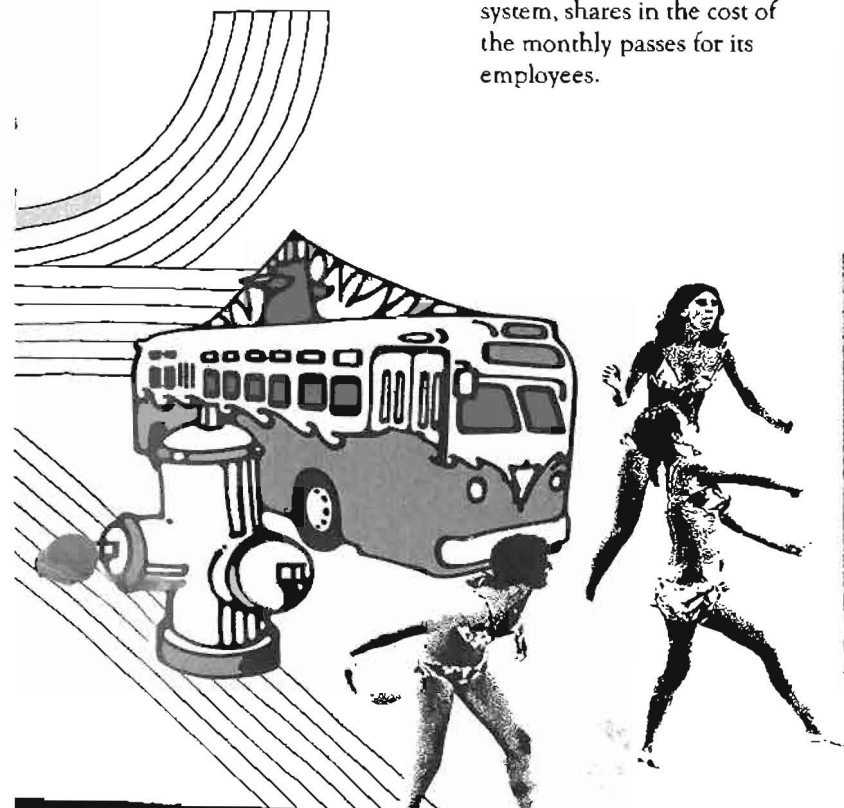
An increasing number of business firms in the area have contacted the District to establish the service for their employees. It is expected that this program will continue to grow and remain a vital part of the District's future rapid transit plans.

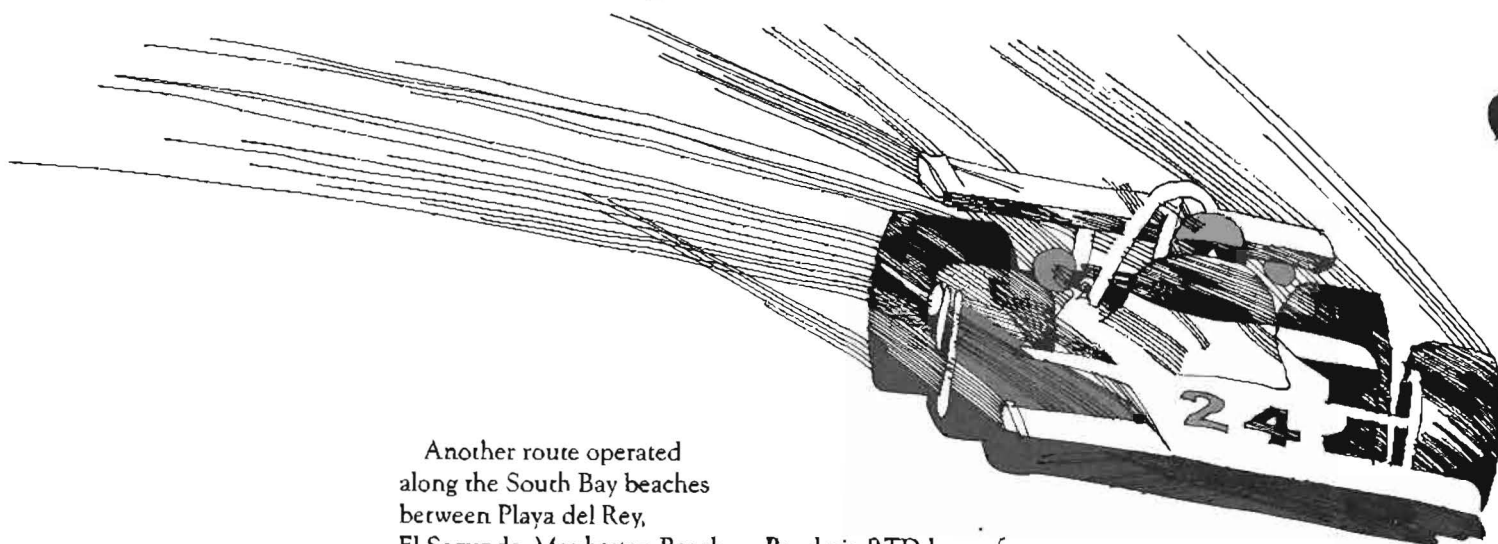
New Lines and Services

Natural gas-powered RTD minibuses transported beachgoers to the shore in a number of locations in the summer of 1973. That turned out to be a miniprogram in comparison to the District's beach service with the "Street Fleet" this year.

In a number of wildly painted full-sized buses, some with signal flags fluttering from simulated submarine conning towers atop them, the District's expanded beach service stretched from Trancas Beach in Malibu to Palos Verdes. The expanded service was made possible with the help of the Los Angeles County Supervisors.

Seven new routes were inaugurated to serve the beach areas, six for the summer months only and one on a six-month trial basis. Four of the new lines gave people living considerable distances inland a convenient way to get to the surf. These were the Pacoima-Sun Valley-Van Nuys area, Pasadena-Highland Park-El Sereno area, Whittier-East Los Angeles area, all to the Santa Monica beaches, and Watts-Compton-Willowbrook area, to Playa del Rey or Santa Monica beaches.





Another route operated along the South Bay beaches between Playa del Rey, El Segundo, Manhattan Beach, Hermosa Beach, Redondo Beach, and Palos Verdes. In Malibu an additional bus was used as a 15-minute shuttle between the Malibu Civic Center and Surfriders Beach. A new route covering the 22-mile stretch from Santa Monica to Trancas Beach in Malibu was introduced June 15 for the six-month trial.

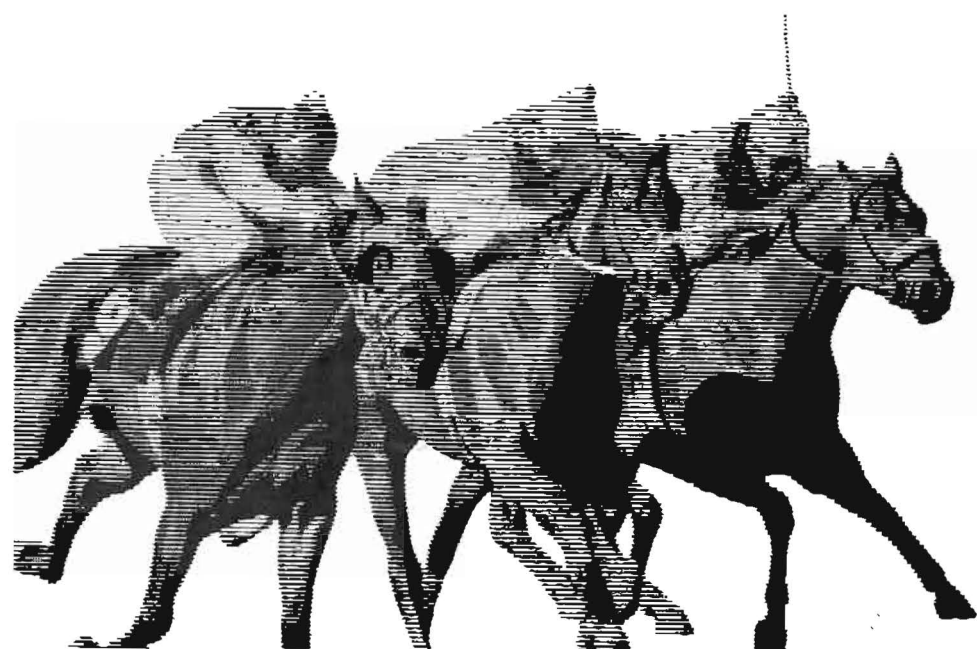
In other special services thousands of music lovers were able to enjoy summer performances at the Hollywood

Bowl via RTD buses from Park and Ride lots. The 1974 operation was another feature made possible by a subsidy to the RTD from the County Supervisors.

Los Angeles County Fairgoers were given an RTD assist from special Freeway Flyers and other connecting lines to the Pomona fairgrounds. Fans of horse and harness racing at Hollywood Park, Los Alamitos and Santa Anita were also served by special bus services during the year, as well as spectators at the California 500 auto race at Ontario Motor Speedway.

New Equipment

Seventy-five "peaches and cream"-colored buses were purchased from the transit authority of Atlanta, along with 14 buses from Fort Worth, Texas, as part of the fleet buildup required to accommodate the increased ridership from the 25-cent flat fare



program. These were added to 150 buses made available from sources within the District—100 which had been in mothballs and 50 made serviceable by expediting maintenance procedures.

Due to the limited production and long lead time involved in obtaining new buses, the District had to look for used vehicles rather than buy all new units to support the flat fare program. Contracts were awarded, however, for 340 new buses, including 40 minibuses, but delivery could not be expected before the fall of the year, and the success of the 25-cent program would not let this matter wait.

The integration of the out-of-town and rejuvenated buses to the RTD fleet brought the total of active buses to

1869 at the close of the fiscal year. This is the fourth largest fleet in the nation.

In addition to new, or additional, equipment of the standard type or technology, the District obtained two new types of vehicles that may soon become a part of the improved bus system in regular duty. As the fiscal year ended, an evaluation program was prepared for an articulated bus—one that bends in the middle.

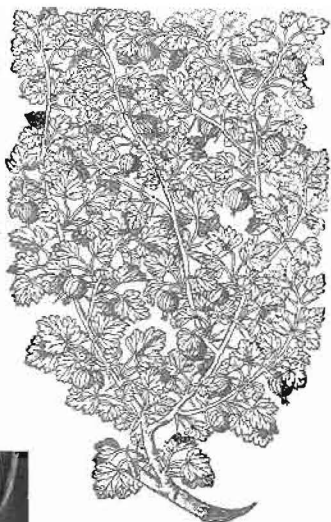
Nearly 20 feet longer than the District's standard large buses, the European-built bus-and-a-half contains 75 seats, providing almost 50 per cent more passenger capacity. It is intended to order 30 of these for service throughout the Los Angeles Basin if the evaluation program proves successful.

The District also has ordered two new German-made double-deck buses to evaluate

for use in the system. These 79-passenger vehicles, the same 40 feet in length as standard RTD units, are equipped with the latest American components such as engine, transmission, and air conditioning system.

Both of these high-capacity vehicles are examples of the type of transportation innovations that will be available to the citizens of the basin following the passage of the combined rapid transit and bus improvement tax measure on the November ballot in Los Angeles County. The District believes buses of this type will be necessary to handle the high volume of ridership foreseen for the future—the beginnings of which are already quite evident.

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Public Information Programs

A greatly expanded, comprehensive program of public information accompanied step by step the implementation of the District's new services and transit innovations during the year. The primary purpose of this effort was to answer the need of riders new and old alike for information about the new services and how to use them.

Every modern form of public contact was employed to get this information out, from telephone routing data to paid media (radio commercials, newspaper ads, outdoor posters) to personal contact. "Rider's Kits" containing a packet of timetables customized to answer each request were developed in a direct mail campaign.

For person-to-person contact, three two-man mobile teams were sent out into communities on a full-time basis to answer rider questions and provide route and schedule information. Through an arrangement with a chain of drug stores, a full-scale retail

program was developed to distribute timetables on racks in nearly 200 stores. Two full-time employees now service these racks, as well as those in the U.S. Post Office's 286 Los Angeles area stations.

Another very successful retail campaign was the "Bus 2 Us" tie-in program developed in response to countless requests from business outlets for promotional materials that would help generate patronage via public transportation. Free kits containing promotional stickers, ad mats, proofs, banners, signs, and copy were sent to retailers by the hundreds.

A special news/advertising supplement was prepared for use by local newspapers at the start of the 25-cent fare program. Extensive editorial, photo, and art material was supplied to enable each paper to put together its own version of a full-size or tabloid supplement. A total of 29 of the 54 area newspapers published this special section.

The popular RTD "Street Flee" beach service was kicked off and promoted with a barrage of attention-getting, useful information services.

These included school posters, retail tie-in promotion, a brochure, student beach passes, letters to school principals, chambers of commerce, and youth groups, and tee shirts emblazoned with the colorful campaign symbol.

While public information and education was the primary goal of this work, it has a continuing secondary benefit. It has already begun to serve this purpose: To enhance the public image of the RTD as an aggressive public agency bringing a greatly improved transportation choice to the 7½ million residents of the Los Angeles Basin.

Total public awareness is vital if the District is to gain the public support necessary to provide funding for maintenance of the current bus operation as well as the bus improvement and rapid transit system programs planned for the immediate and long-range future.



The New RTD Rider

Briefcase-carrying young executives, miniskirted secretaries, barefoot beachbound teenagers—these are typical of the new types of riders seen boarding RTD buses in increasing numbers this past year. The change is the result of a combination of the fuel shortage, the District's bargain-priced fare structure, and the generally growing acceptance of public transit.

Surveys conducted by the County Road Department, City of Los Angeles, and California Department of Transportation revealed that the new RTD rider is generally

younger and more affluent than the average rider before the introduction of the 25-cent fare.

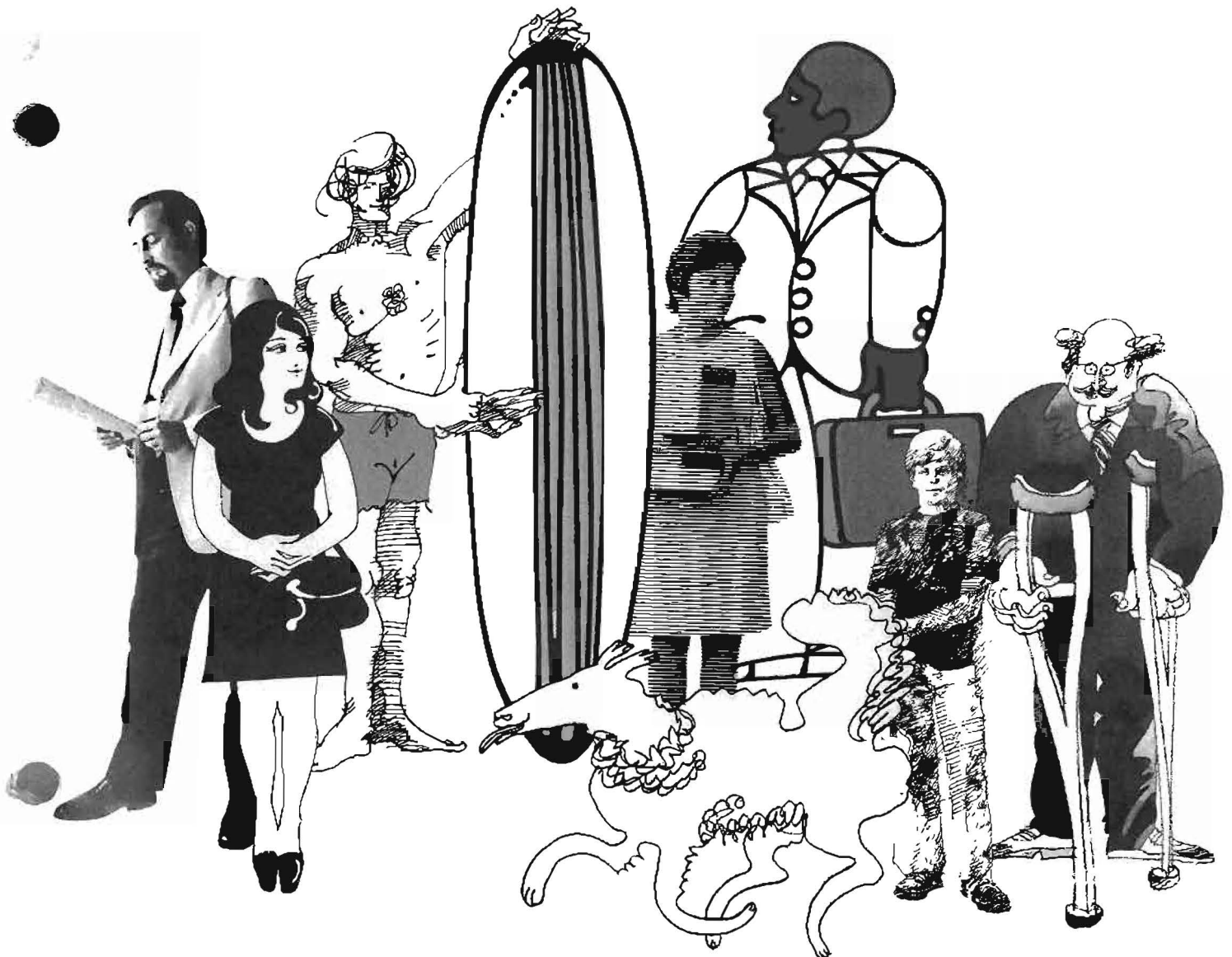
The greater percentage is composed of men. They travel longer distances, commuting from suburban points such as West Covina and Thousand Oaks, indicating the growing use of the District's services by the business executive group.

The number of riders who own cars or have one or more in their families also has increased substantially. Of the 86,000 new patrons a day, about 77,000—nearly 90 per cent—own cars or have access to one. The largest percentage increase was in the two-car group. Bus riders in this cate-

gory jumped four per cent, now accounting for about one in five patrons.

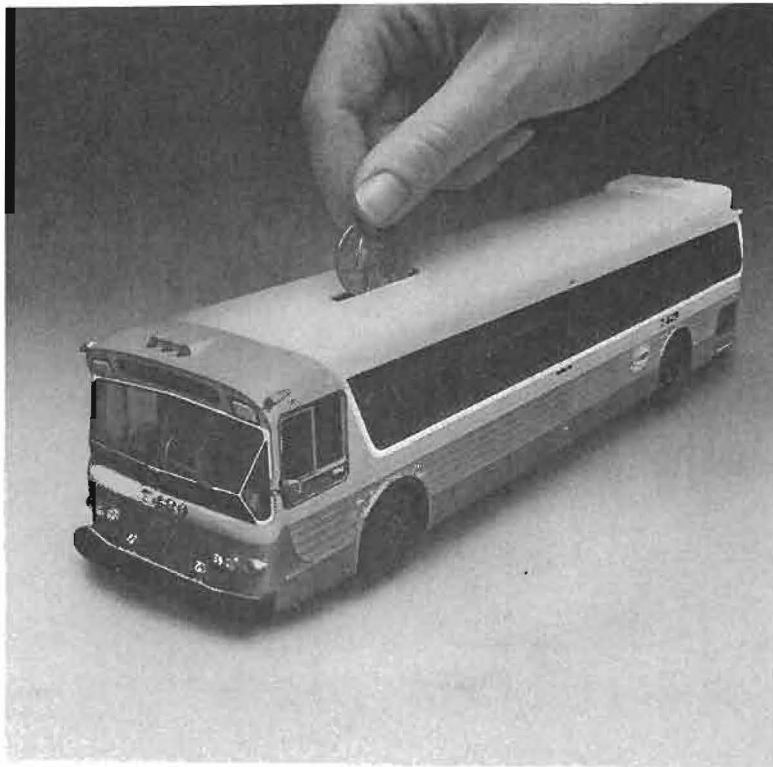
The surveys found an increase in other uses by the new riders as well. The number of school children, people going to recreational areas, and those traveling to hospitals and doctors' offices, for example, rose to one out of every three bus patrons.

More people in the 16- to 30-year age group became RTD riders with the advent of the flat fare. Their total numbers now account for 40 per cent of all patrons.



SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT ANNUAL REPORT 1974-75

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PRESIDENT'S LETTER

To: Legislative Bodies of the Southern California Rapid Transit District, Honorable Members of the California State Legislature, and Chief Administrative Officers.

Gentlemen:

One of the direct effects of the uncertain economic conditions prevailing throughout the world today has been to focus the attention of city dwellers everywhere on their public transportation systems.

The Southern California metropolitan area is not immune to the debilitating effects of inflation, particularly in the runaway prices of automotive fuel and other petroleum products. The fact that these fossil fuels could again come into short supply at any time only adds to the prevailing problem.

These conditions, however, may well provide what is needed to stimulate our citizens fully to support their public transportation system and to use it to its full capacity. Ridership has been increasing in recent years but it is still well short of its potential. The fact is the need has not been (since World War II) what it is now rapidly becoming: an absolute necessity. Given the alternative, however, it is reasonable to assume the Southern California public will drive its automobile despite high prices.

But we at the SCRTD have evidence that the alternative is now diminishing. The increased ridership and activity of the

fiscal period covered in this report substantiate our conviction. Added bus lines, improved service, new equipment and the all-important consensus on the initial starter line, the first step toward a true rapid transit system are all parts of our answer to the growing need.

Now already well into Fiscal 1976, we are continuing to amplify our answer. The volume, in fact, is increasing.

We cannot predict with certainty what external economic conditions will prevail. But we're working intensively to improve those in which we have at least some measure of control—those affecting public transportation. The fact that our success (and we intend to be successful) will make Southern California a better place in which to live, as well as increase mobility, is a potential bonus that will continue to give us greater motivation.

Respectfully yours,



Byron E. Cook
President and Director

BOARD OF DIRECTORS

2

What is the role of the Southern California Rapid Transit District in the baleful light of today's economy? Is it any different than it ever has been? What is the RTD doing about it? How well has it succeeded in the past year...how much remains undone?

The Board of Directors of the SCRTD, charged with setting the pace, tone, direction, and scope of the District's activities, had occasion to give these questions considerable thought during Fiscal 1975. Their answers indicate, often with revealing insight, not only how well the District met its mandate in this challenging year, but where it may have fallen short...and why.

BYRONE E. COOK,
(President),
Councilman,
Burbank



"Financially, we have been priced out of the self-operating market, like every other public transit agency in the U.S., and probably the entire world. We must depend on government subsidy—the extent of which depends on the fare structure. With the present 25¢ flat fare, our annual budget is about three times our annual farebox revenues.

"Public transportation has taken on a more important role now to this extent: people have come to recognize that public transportation is an essential governmental service—like fire, police, the post office and as such it does justify some degree of subsidization.

"The need for public transportation is in the future—even though at the present time we don't use what we have...It's the lack of participation that creates a problem.

"In Long Beach in 1944, during the war...our local fare was five cents, and we operated out of the fare box...no subsidy...but it was standing room only on any bus in any direction!

"But it was a different world then, the necessity was there. People could live without cars; they *did* live without them. We didn't have this tremendous freeway system...which can be utilized only if we have gasoline. I envision the time there

will not be enough gasoline...The people will look at us in retrospect and say, 'Why did you not anticipate this?'"

GEORGE W. BREWSTER,
Councilman,
Torrance



"If the role of the District hasn't already changed as of the date of this printing, the probability that it will change is very high. Outside economic influences will become increasingly decisive, particularly employment considerations, people trying to find a way to get to a job, or look for a job, or who don't have the wherewithal to afford an automobile and its attendant costs, including parking and insurance!

"Increased interest by state government, the county, and other governmental bodies, can be helpful or sometimes a hindrance to the RTD... The County Board of Supervisors has been most helpful...and certain people at the state level...

"Looking ahead I see foremost two 'make or break' waves: One is the resolution of the starter line... The need for rapid transit hasn't changed at all. I see the ability to arrive at a consensus of thought on this as really the key, the final test, as to whether it's ever going to work here or not.

"The other thing... further labor regulations that are being tied to federal operating subsidies... new labor regulations with respect to labor protective agreements which... have some very serious economic implications—if you accept federal subsidies. If you don't, you have to cut way back on your services and perhaps raise fares—thus driving away patronage, and starting the vicious cycle all over again."

VICTOR M. CARTER,
Philanthropist,
Los Angeles



"The needs, the duties of the RTD haven't changed any; they were always to operate more economically and more efficiently. The need is always to watch the operation. We have

more than anything else to look at some of our routes that are overgrown from past history, that overlap or that create extra transferring, that should be eliminated...If we have places where people have to get off one bus and get on another only because 30 years ago that's where two different companies operated, it doesn't make sense. In today's economy we haven't any right to let that continue happening.

"The most important job ahead is to try to establish the proper starter line for the rapid transit. The other is to study very carefully our lines, wherever they might be, and improve the operation by putting them into service in the most efficient way.

"Help the customer... make it easier for him to use the system. The easier we make it for him, the more he's going to use it. That's very simple!"

ALBERT J. EYRAUD, JR.,
President,
Asbury
Transportation
Company,
Beverly Hills



"We're at the cross-roads and we have a two-fold objective: one is to provide mobility to those economically disadvantaged people who can't afford it themselves, who are trapped in their local neighborhoods, and get them out so they can seek employment and give them some needed mobility.

"The other objective is to get on with the job of doing the building. The funds are available at the state and federal level... We've got the funds to run the day-to-day service on a subsidized basis, and our primary objective now is to get on with the big game.

"You have to appreciate the fact that we have in our budget this year \$90 million of subsidy. In ten years that's almost a billion! That'll pay for a system!

"The most important action last year? The enrichment of service. The agreement with the state regarding exclusive bus lanes on the freeways... our plan to use articulated buses... all part of the enrichment of service. More lines, more seats, more availability!"

DONALD GIBBS,
Architect,
Long Beach



"There has always been a very strong concern by the staff to be motivated in the direction of economy and efficiency. It's really more serious now than ever.

"I think everybody has larger demands than they had before. People in the community are beginning to become aware of the value of good transportation service, so they're becoming more and more vocal... A lot of voices have to be heard in a thing like this. You've heard it said many times that 'the democratic process grinds exceedingly slow, but it grinds exceedingly fine.' We'll find out if that's really the case.

"The thing I'm really turned on to is improving the spirit and quality of everything—the physical facilities, the way the bus drivers perform and feel... bus drivers should stand a little taller, and take a little more pride and enjoy their work a little more... everyone who provides this transportation for everybody... just have a great spirit. It's very hard to do in a large organization such as we have."

ADELINA GREGORY,
Councilman,
Baldwin Park



"Yes, the role of the District has changed. It's not just what's happening if we didn't have all the other entities bearing down on us... we're now involved more with Los Angeles County and those subsidies from the county because of the lack of our own particular funding... That is really having a tremendous effect on the continuation and implementation of the kind of service that we can and have been giving in the past.

"The needs of the public we serve have changed because there are a lot of pressures bearing down on them, like the price of gasoline. We've had this terrific interest and our letters indicate this to RTD's staff and all the corridor and county

representatives and L.A.... People have been asking for different *kinds* of service, not just more. They're looking to the future. They have more interest in getting the service because they can see the handwriting on the wall.

"I'm very oriented to people. I'm thinking of their future and the financial future of us, the county... The rumblings we hear about consequences of the lack of fuel... well, those will be the kind of things people will note that the RTD moved forward on, or not."

THOMAS G. NEUSOM,
(Vice President)
Attorney,
Los Angeles



"The one responsibility we have—providing a comprehensive, efficient and inexpensive transportation system—has greater meaning now than before we had the fuel crisis.

"We've learned from our efforts so far that *taxation* for rapid transit is very difficult, even though many people recognize the need. So it's going to mean taking the services to the community on a little different basis—the basis of the starter line, which is not going to involve any great bonded indebtedness, or any great capital outlay of any one level of government.

"The grid systems have been the most significant items in terms of improving the service and the position of the District as an entrepreneur of a public service so vitally needed here in Los Angeles. The continuation of a nominal fare has also been very important in making public transportation more attractive to the residents of our region.

"More and better service—that's the chief responsibility of the District. Through greater cooperation with local, state and federal agencies, the District will be enabled to fulfill the responsibility of evaluating our present service and projected expanded services to insure what we are providing gets maximum use. With the available equipment, technology and manpower, we hope to serve the maximum number of people for dollar outlay."

JAY B. PRICE,
Councilman,
Bell



"The challenge for greater and more efficient public transportation is greater now than at any time in our history. All levels of government must put aside extraneous political considerations and work for the common goal of better public transportation for the many diverse groups of the American people. We've got to make preparations for all, because that would include the poor, the rich, the blind, the lame, everyone.

"The crime that was perpetrated against the county of Los Angeles was not that the red cars died, because they would have... the crime was letting all those rights-of-way die... they abandoned 1200 miles of right-of-way!... If we had them today, I'm not saying the transportation problem would be solved, but we'd have a network of transportation that would cover this county like it should have been and always was in the old days."

PETE SCHABARUM,
Supervisor,
First District,
Los Angeles County



"I like to deal in facts. I can give you a long song and dance... generalize and paint pretty pictures... but I'd rather talk facts. I think we have some very serious times ahead of us... that are one day going to have to be faced.

"In fiscal 1975 the District did a very good job of expanding service rather dramatically with a minimum of difficulty. That was no mean trick to expand service by about 30% or so from the previous year. For fiscal 1976 the most essential task is to improve the bus service that currently prevails. At this hour, however, there is no assurance that the funds will be available to make all the service improvements this board of directors said it would make during the year. "I'm interested in a well-run, efficient, responsive bus transportation system which is the fundamental role of this District. That can be achieved..."

divorcing ourselves from the conditions imposed by the Board of Supervisors...or with a substantial modification.

"And we have the further role of finding other modes of transportation that fit the terms of providing a balanced transportation system. The starter line, because the concept has been so persistently advocated, is not going to go away, so, I guess...if there's enough unanimity we've got to try one, and see whether it flops or succeeds.

"The answer in this area in my judgment is continued improvement of the freeway system...the bus system; the utilization of car pools and buses, the testing of existing rail lines as to whether in some fashion they might lend themselves to moving people; the introduction of dial-a-ride and other kinds of people movers in prescribed geographical areas that make sense."

GEORGE TAKEI,
Actor, Motion
Pictures & TV

"We have less money to work with and more services to render—a real challenge...it's going to require thoughtful innovation.



"...these pieces of legislation trying to restructure the RTD...make it rather difficult to make progress on a project like the starter line. The fundamental issue of rapid transit alone is a very complex one, and the public has a very simplistic understanding of the problems we face. When you add to that the problem of restructuring the board of the RTD, it becomes even more confusing to the general public, and that tends to dissipate concern and interest and support for rapid transit.

"The El Monte Busway has been able to demonstrate many things: among them the use of contraflow traffic in the downtown area, and the use of freeways as a transit system. I think of our freeways as a fixed guideway system...we really have to start looking at them as another area that we can utilize for mass public transportation.

"We have come to a period in which we're going to have to start tempering our expectations of the American system...to temper some of the qualities that we have

come to expect from the American way of life. We know now that even in Los Angeles we cannot continue to depend on the private automobile as we have. We must personally deal with the problems of high energy consumption, environmental pollution and traffic congestion. This presents challenges as well as opportunities to public transportation. The RTD Board, as trustees of a limited public coffer, will have to more innovatively utilize that limited resource. We must clearly define the priorities of public transportation to effectively render the services that changing social and economic conditions demand."

BAXTER WARD,
Supervisor,
Fifth District,
Los Angeles County



"The economy's going to get worse as the price of oil and gasoline goes up. The RTD should be the most responsive agency of all...in having the parking lots ready, in having the rails ready, the whole thing ready to roll. This is an emergency, not something we can just boggle through!

"The needs of the public haven't changed; they have only intensified. We do need the corridors...the whole bus system ought to be geared to feeder lines to get people to and from the rail network.

"There are two differing philosophies on how the construction of the rapid transit system should proceed. I would consider the RTD board's most important role the adoption of my philosophy. That is: A lot of the rights-of-way are old Pacific Electric rights-of-way, and I would like to see us build cheaply enough that we could run a line out Exposition to Westwood, Century City; run a line down to Lomita, to Huntington Park—get things going, that's what we've got to do!

"Get participation with the community. Maybe Torrance, Redondo Beach, Manhattan Beach should establish their own joint powers agreement, issue some bonds on their own, and hook on to a line. But there's no sense in forming a joint powers agreement if there's no line to hook onto! That's why the bigger the starter line, the better it can serve the county."

EXECUTIVE STAFF

Jack R. Gilstrap — *General Manager*
 George W. Heinle — *Manager of Operations*
 Jack Stubbs — *Assistant General Manager
for Administration*
 Richard Gallagher — *Manager of Rapid
Transit-Commuter Rail*
 Joe B. Scatchard — *Controller-Treasurer-
Auditor*
 Richard T. Powers — *General Counsel*
 George L. McDonald — *Manager of
Planning &
Marketing*
 Richard K. Kissick — *Secretary*
 Robert Williams — *Manager of
Customer Relations*
 John Wilkens — *Manager of
Employee Relations*
 Michael Olivos — *Deputy Administrator —
Equal Employment
Opportunities*

Roy S. W. Gregory — *Director of Marketing
& Communication*

REPORT FROM THE
GENERAL MANAGER

Rising prices, potential shortages and the other forms of economic distress affected the RTD in more than operational activities last year. Planning, budgeting, marketing, relating to our customer, relating to our employees — all felt the impact.

The restructuring of our executive staff, as shown opposite, reflects the changed emphasis. Personnel shifts were made to give greater managerial attention to three major areas: the Rapid Transit Starter Line, Employee Relations and Customer Relations. These changes are related to the current economy in the sense that the pangs of inflation are felt most acutely by people. Corporations, organizations suffer, too, but people are hurt the most. And since we are in a people business, it is our duty to organize our agency in the way that will serve them best, not just for now but in the uncertain future that appears to lie ahead.

We started the year off with a problem that was obviously, as well as symbolically, of human-economic orientation. A 10-week work stoppage drove all buses from the streets from August 12 to October 19, 1974.

Negotiating took place almost continually during that time, with city, county, and state officials joining in. Finally, when we received assurances that a portion of the county operating subsidy could be used to meet higher wage and benefit costs, the issue was settled. The most significant lesson, if there is one, to come out of the problem is in the statistics that reveal an increased ridership, and a 30% improvement in services, despite this most severe work stoppage in recent years. It proves the need for bus service is not only still there, but growing.

The need still exists for true rapid transit as well, despite the narrow defeat of



Proposition A on last year's ballot. In the throes of a recession, voters declined to add a one percent tax to provide funds for a balanced rapid transit system in Los Angeles County. The vote also showed, however, that 47% of the people were willing to tax themselves for it.

Plans for the eventual beginning of such a system took an historic, solidifying turn late in the fiscal year when the board of directors agreed on the starter corridor that would be given top priority. The general route, which has endorsements of the City and County of Los Angeles, will stretch from the San Fernando Valley through downtown Los Angeles and curve south toward the harbor area.

While specific routes and alignments within the corridor have not yet been agreed upon, the consensus was the first, vital step toward eventual state approval. This will then provide the basis for the federal funds which will match those available from our Proposition 5 gas tax funds on an 80/20 basis.

These funds are necessary for us to begin the work, which is still part of our mandate to plan, design, construct and operate a regional rapid transit system. We are ready, and are convinced that the same spirit of cooperation that produced the overall corridor consensus will prevail in achieving agreement on the specific alignment, which could be resolved by the time this report is published.

One of the most important factors in our increased ridership is unquestionably the support and participation of Los Angeles County, which has continued to provide the subsidy that allows us to retain our flat rate structure and add new local and regional services.

We now have a two zone system in Los Angeles County, which means that a ride between any two zones still costs only a quarter. A rider pays an additional quarter if he crosses into a third zone. Because most of our riders make relatively short trips, this has amounted to no increase in fare for about 75% of our patrons.

Transfers and all other fares have remained the same, although we were able to adjust them in the right direction—downward—for handicapped people as the result of a board action early this fiscal year. A \$4 monthly pass is now available to match the 10-cent cash fare per ride for the handicapped. The board also lowered the senior citizen age for men, qualifying them for the 10-cent fare and \$4 pass at age 62, the same as women.

Plans were formulated this year to insure that vehicles acquired in the future will be more easily accessible to the elderly, the handicapped and people confined to wheelchairs.

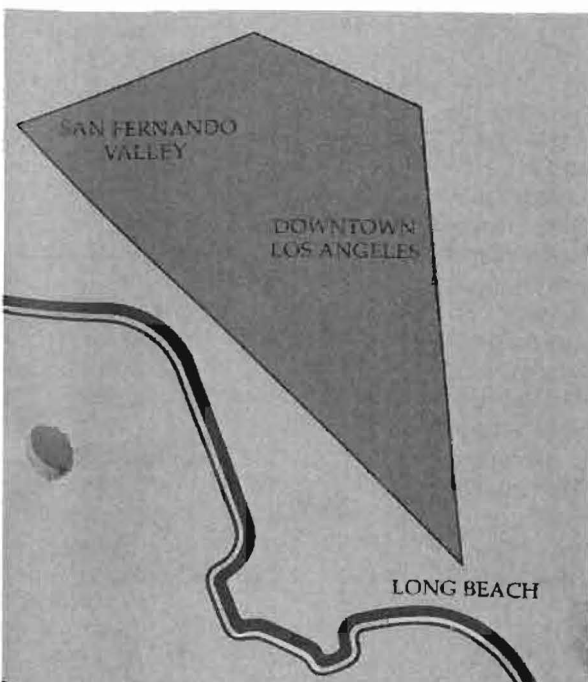
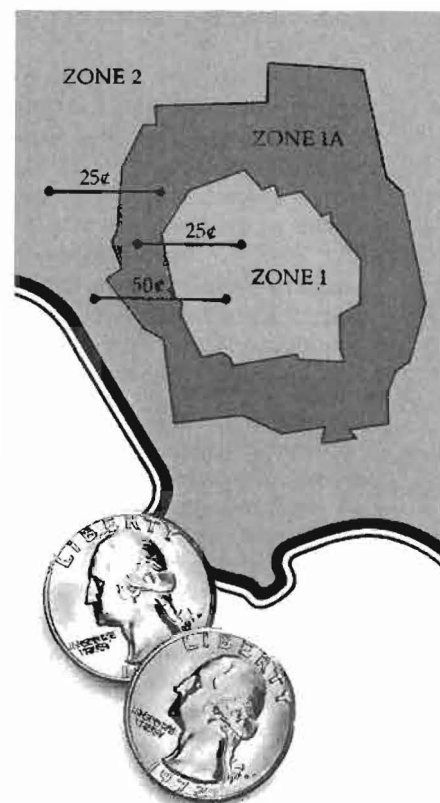
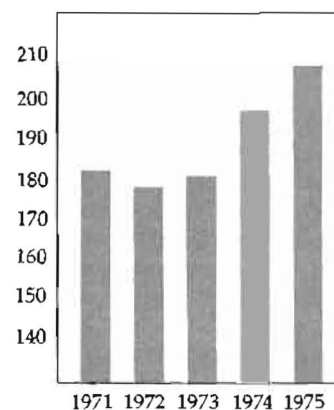
It is also one more item adding to our own economic hard times. But, to the extent that it relieves those of the public we serve, that's why we're here.

The past year has been one of unprecedented growth and accomplishment. Our job now is to keep this momentum going while giving constant attention to economy and efficiency in light of ever mounting costs of operation. Further, we must work to reduce the growing web of red tape requirements associated with outside financial support. Major emphasis will continue to be given to developing our greatest asset—our employees throughout the ranks whose technical and professional skills, dedication and sensitivity to the public's needs offer the key to RTD's progress past, present and future.

Respectfully,

Jack R. Gilstrap
Jack R. Gilstrap
General Manager

RIDERSHIP INCREASE
Total passengers in millions





This is the kind of economic logic that has made Park 'n' Ride the District's fastest-growing program.

In Fiscal 1975 six new Park 'n' Ride facilities were established, bringing the total to 14, including travel on the El Monte Busway. More than 19,000 riders use the program daily.

Convenience as well as economy is an attraction. Commuters drive to the facility nearest their homes, park and lock their cars in a patrolled lot (usually a drive-in theater), and board an express RTD bus for downtown Los Angeles.

Park 'n' Ride lots and routes are operated from Canoga Park, Van Nuys, Studio City, Pasadena, San Gabriel, El Monte, West Covina, Pomona, La Mirada, Fullerton, Long Beach, San Pedro, Torrance, and South Central Los Angeles. Three more are planned for the Westside area.

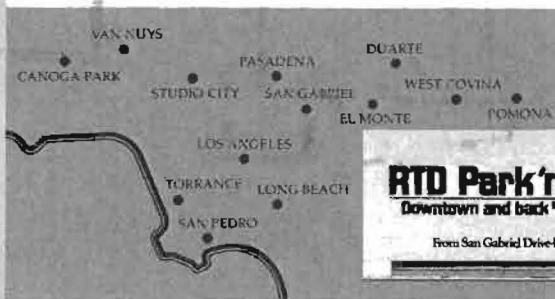
The Fairfax Connection. The District introduced this innovative saturation service in January. The objective of the test was to increase ridership in a specific area when frequencies of service are significantly increased. The test project assigned to line No. 89 fulfilled a contract between the Los Angeles County Board of Supervisors and the RTD.

Service was actually doubled on the line running up Fairfax Avenue between Wilshire and Hollywood Boulevards. Headways were cut from 12 to 6 minutes weekdays and from 15 to 7½ on Sundays.

Dubbed "The Fairfax Connection," the service enables passengers to transfer onto any of the 10 intersecting east-west lines with much greater frequency. It is the type of service felt to be much needed in such areas of high population density and corresponding traffic congestion.

El Monte Busway. Full operation of the complete 11-mile exclusive Busway on the San Bernardino Freeway began in February, 1975, with the completion of the California State University station. By the end of the fiscal year, ridership proved it to be an outstanding success.

Commuter use of this heavily traveled east-west route climbed to 15,500 daily



riders, served by a fleet of 237 buses at peak hours. Patronage at County Hospital USC station and the new Cal State LA station rose rapidly as more and more people discovered the economy and convenience of the Busway.

Looking to the future, the Busway can easily be converted to a rail rapid transit system at a relatively minor cost as patronage and environmental needs dictate.

Bus-only, contraflow lanes. Along with the El Monte Busway's success, the feasibility of devoting street lanes to the exclusive use of buses was proved with the experimental Spring Street contraflow lane program. RTD buses travel against the flow of one-way traffic on their own lane in a 1½ mile, nine-block stretch of Spring Street in downtown Los Angeles, speeding commuters onto the El Monte Busway, and to other widespread destinations.

In the full year of integrated operation, the District recorded nearly 135,000 bus trips—over 1.5 million miles—on the contraflow lane and the Busway. Only one accident was experienced, an auto skidding into the side of a bus; no injuries.

Double-deck Bus. Currently plying Line 402 on the El Monte Busway are a pair of two-story buses under evaluation for future use by the District. Built in West Germany but fitted locally with required anti-pollution devices, they offer potential savings in many ways.

Each can carry 70 percent more passengers than a standard coach. They are 40 feet long, 8½ feet wide, accommodating 57 riders on the upper level and 27 below.

Fewer vehicles per given passenger load mean fuel savings, less street and freeway congestion, and reduced exhaust emission.

New Division 9 Maintenance and Operating Facilities. This new facility was constructed in connection with the Busway project and provides maintenance, service and storage for 300 buses. The improvements consist of a transportation building; maintenance building, four stations for fuel and interior cleaning equipment along with an automatic bus washer.

This new facility is located on 13½ acres of land adjacent to the El Monte bus terminal.



PEOPLE PROGRAMS

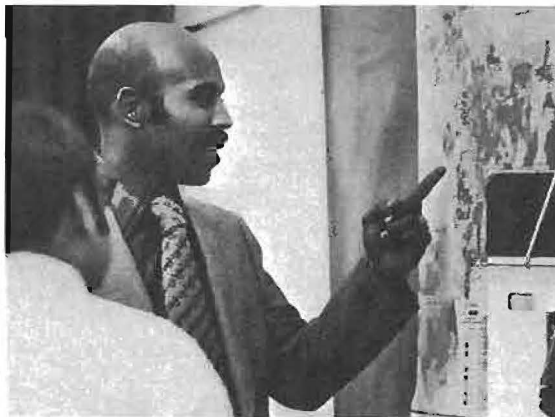


Management Trainee Program. Looking ahead to its own future needs in the people area, the District has implemented a 36-month program designed to prepare qualified college graduates for anticipated staff and managerial vacancies that require a formal advanced education. These young trainees are rotated at approximately three-month intervals through various departments within the RTD. In this way they are able to gain a variety of administrative skills in the pursuit of a career in the District.

During their stay in each department, trainees perform numerous assignments such as data research and analysis, report writing, and general correspondence. At the end of the period, individual progress is evaluated by performance reports.

Trainees may bid for open staff positions prior to the end of the program providing they meet basic qualifications.

Youth Corps. The emphasis has been on youth in several activities in the District this past year. In one, the RTD Community Youth Corps program was instituted to help promote the new grid bus service in South Central Los Angeles and the San Fernando Valley.



**Join
the
Please
Corps**



The program consists of qualified high school students promoting the bus services available in their own and neighboring communities.

The young "information specialists" reach their audiences by: handing out RTD literature at shopping centers, as well as door-to-door; making announcements at churches-synagogues, and other religious halls; distributing literature at special events and facilities such as sports stadiums; making presentations to junior and senior high schools.

In the Youth Corps program, the SCRTD is taking a leading role in youth employment locally, and a pioneering one in the transit industry nationally.

Operation Teamwork. In another youth/community oriented program, inaugurated in April, 1975, fifth and sixth graders have been made aware of a District vandalism problem in a way they found most enjoyable. Called Operation Teamwork, the program employed the services of Los Angeles Rams football stars Phil Olsen and Ken Geddes to instill a sense of good citizenship through participation in sports activities.

Since 1969 the cost of vandalism to the District has increased more than 500 percent, to an annual total of \$240,000 in Fiscal 1974. In order to inform students of the problem, and seek their help, a 15-minute film featuring the two football stars is shown at various schools. The film depicts different aspects of RTD operations and compares them with similar actions on a football team.

When the subject of vandalism enters the picture, it is compared with the "cheap shots" that sometimes occur in football games. After the film Olsen and Geddes, when available, give "live" presentations on the high costs and dangers of vandalism, then open the session to questions.

Please Corps. In an internally oriented program last fall, the aid of the public was enlisted to stimulate courtesy in the work of the District's employees who deal with that public daily. The Please Corps was a plan to commend bus operators, ticket clerks, and telephone information operators who, in the public's opinion, were especially helpful, courteous, or displayed

outstanding driving skills.

Commendation cards were placed in conspicuous places on buses and in ticket offices. Bus cards and newspaper stories informed riders of the program. Prizes were made available to employees who received the most commendations.

More than 65,000 cards were received during the two-and-a-half months of the program. Among the gratifying results: Complaints for one month, December, 1974, showed a 40% drop from the highest month, July, 1974; sixty-four percent of the 3787 eligible employees received at least one commendation.

Operator-Passenger Relations Training. In this first training program of its kind at the District, RTD bus operators were given the opportunity to help design its contents.

Questionnaires mailed to all drivers asked them to select the areas in which they thought training would be most useful. The results were analyzed and incorporated into the new in-service program for both current and future operators.

When the four two-hour meetings are completed in one division they are moved to another until all of the District's approximately 4000 operators will have completed the program.

Easing the Unemployment Picture. In a cooperative effort with state, county, and city governments, the District has helped lower the high unemployment rate in Los Angeles County. More than 700 unemployed persons were hired during the last half of Fiscal Year 1975.

This activity is part of the Department of Labor's Comprehensive Employment and Training Act (CETA), administered by the County and the City of Los Angeles. RTD's participation has produced three significant results: Decreased unemployment in general; increased the District's manpower; and, consequently broadened the base of transportation services to the community.

FUTURE PLANS

12

The Diamond Lane Express. One of the nation's most ambitious public transportation experiments to alleviate commuter traffic congestion is scheduled to get underway in Fiscal 1976 on Los Angeles' most heavily used freeway. Known officially as the Santa Monica Freeway Preferential Lane Project, one lane will be reserved for the exclusive use of buses and car pool vehicles.

The preferential lane, identified by special signs and distinctive diamond pavement markings, will be in effect between Lincoln Boulevard in Santa Monica and the Los Angeles Central Business District. Metering signals will control on-ramp volume to traffic lanes. Buses and car pools (vehicles with three or more persons) may bypass meters at diamond-marked on-ramps.

This project of the California Department of Transportation (Caltrans) has also combined the resources of RTD, the California Highway Patrol, the city of Santa Monica, and Santa Monica Municipal Bus Lines. Results will be awaited with great interest by the federal agency, UMTA, as well as large transit agencies throughout the country.

The program has a choice freeway for experimentation. The Santa Monica Freeway traffic swells from about 100,000 to 240,000 vehicles from Lincoln Boulevard to the Harbor Freeway in average daily peak hours. Even off-peak daytime hour demand reaches 60 to 80 percent of capacity in several sections.

Both the RTD and Santa Monica Municipal Bus Lines are setting up several new express bus routes for the project. Three new Park 'n' Ride lots also are planned. The Diamond Lane Express will thus be offered as a convenient money-saving, as well as energy-saving, means of getting to town.

Service Improvement Areas. A vast bus service improvement program, originated during the past fiscal year through community meetings and surveys conducted throughout four major population areas of the District, will be implemented during Fiscal Year 1976. Its effects will be felt increasingly in the coming year as new lines are put in, more buses added, headways reduced, and new types of service intro-

duced to a needy and appreciative public.

San Gabriel Valley. Some 25 percent more buses will be needed to increase daily bus trip miles by almost 50 percent in this heavily populated, 348 square-mile region. Headway times will be cut nearly in half, to 20-30 minutes, on local routes, saving about an hour on most round-trips.

The new plan will provide bus access within a quarter-mile of 86 percent of all young people (under driving age), 88 percent of the labor force, 93 percent of elderly residents, and 99 percent of all households.

Two principal elements are involved in the new service program: a regional fixed route system and an express system to further utilize the El Monte Busway.

Mid-Cities. Many new buses on new routes will be seen in this 105-square-mile region of Southeast Los Angeles County. The area is bounded by the Orange County line, the Los Angeles River, and between Whittier on the north and Lakewood to the south.

New service will include six principal lines and 10 tributary ones which will interconnect the 12 cities within the area. The Santa Ana Freeway will be an integral part of this network, as it is the chief high-speed artery to the Los Angeles Central Business District.

At base service level, no line will operate at more than 60-minute headways in the new system. Most lines will run at 30-minute intervals or less at peak hours. Passengers in a given city will be able to reach twice the number of destinations in half the time.



East Los Angeles. Information gathered at a series of meetings with residents has resulted in the design of a new grid system for this highly transit-dependent area. Twenty-five additional buses will be employed, providing residents with more frequent service and greater accessibility to the central business district and surrounding areas.

To fill out the grid, 18 existing lines will be extended or altered. Three entirely new lines will be established.

South Bay. Fifteen cities and 10 communities are being provided a total realignment of their existing bus service in this region of Los Angeles County. The route realignment will require 38 more buses to operate on the 54 lines in the new system.

Headway reduction will be from 30 to 50 percent, or up to 60 minutes in some areas. In addition to providing greatly improved service to local facilities, a major feature of the plan is a proposed new terminal in the area of Los Angeles International Airport.

All lines which would previously enter the airport terminal area will now terminate at the new station. Shuttle service will be provided from the station to the airport, on approximately five-minute headways. This new shuttle service will avoid mass bus penetration into the already congested automobile traffic patterns in the airport area.

Commuter Rail. Commuter railroad trains are slated to be the forerunner in the initiation of a rapid transit system in the Southern California area. First results will be seen from County-funded commuter trains which will daily carry hundreds of passengers to and from the Los Angeles Central District and the Pico Rivera, La Mirada, Santa Ana, Capistrano, Oceanside and San Diego area.

Within the service area of the District lie hundreds of miles of existing rail track

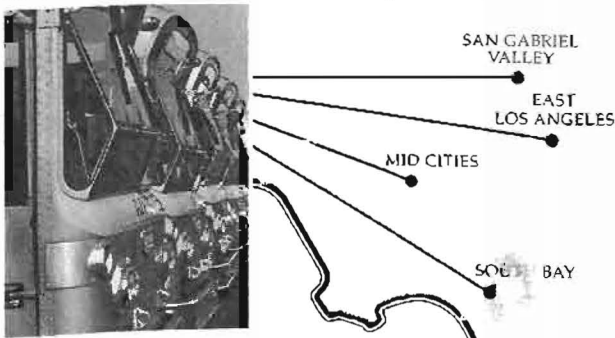
and rights of way. Portions are remains of what was once the 1200-mile Pacific Electric Railway, whose familiar "Red Cars" were a fixture in the area as recently as 1961. Commuter possibilities exist on several of these routes.

Under the leadership of Supervisor (and RTD board member) Baxter Ward, the County has purchased eight passenger rail cars and is refurbishing them for service. A second train for the route is being readied in a tri-county venture. Both will be run by AMTRAK under contract directly with the County of Los Angeles and the tri-county body.

Their first venture is looked to with the hope of proving the feasibility of the concept of using existing rails and rights-of-way in the area. RTD will provide feeder bus connections and other assistance to the Commuter Rail project.

New Headquarters. Refurbishing work on a new administration building is nearing completion, and the SCRTD will soon be completely operating from a modern headquarters building at 4th and Main Streets in downtown Los Angeles. The six story building, former headquarters of Security Pacific National Bank, will accommodate 500 District personnel. The District's current 10-story headquarters, built in 1920, houses approximately 400 employees.

In addition to the departments currently at 1060 S. Broadway, the new headquarters will be able to accommodate the Dispatch Center, Maintenance offices, and the Stops and Zones department. Modifications being made include installation of electronic data processing equipment, telephone operations unit, and dispatch center and automotive maintenance facilities.



MARKETING NEW SERVICES



The District's emphasis in informing the public today of its new services is concentrated more on disseminating specific details of such services to the populace rather than "selling" the concept of public transit.

Public Information, Customer Relations, and telephone switchboard personnel literally by the hundreds serve the District in this capacity. They make the District's new ideas work in the sense that no service improvement can be of value unless the public knows about it and understands it.

Marketing Services. Customer Information Representatives, in teams of two and three persons, were especially effective in explaining the use of the two grid bus systems instituted during the year. Knowledgeable in all phases of the District's operations, Mobile Information Team members are an important part of the marketing plans for these and other new routes and services.

Teams circulate throughout the RTD service area, visiting schools, shopping centers, hospitals, and office buildings. They also attend special civic events — anywhere large numbers of the potential riding public are likely to be found.

In addition to Marketing, teams support other departments within the District



and assist with special promotions, press conferences, and surveys. Roving ambassadors as well as information specialists, they gain many new, supportive patrons for the District.

Community Relations. Mayors, other elected and appointed civic officials, chambers of commerce, senior citizens groups, and civic organizations of all kinds get first-hand knowledge of the District's service policies and ideas through presentations made by the RTD Community Relations staff. Members perform a broad range of speaking engagements before such groups on a nearly continuous speaking schedule.

The department's Senior Citizens Program is one that has brought especially positive results during this past year. It was found that a major problem among elderly people was that they did not know "how to use the RTD".

In the current program staff members teach senior citizen group representatives how to teach others to read maps and timetables, pay proper fares, and plan outings via RTD buses. In addition a commu-



nications network has been established to inform senior citizens of services available throughout the county.

Marketing and Communications. Written and graphic communication form a prodigious amount of the total effort to "get the word out". These activities are handled by a busy staff of professionals in the Marketing and Communications Department.

In the past fiscal year the News Bureau conducted 23 separate press conferences for such special events as the introduction of new grid service, Park 'n' Ride lots, El Monte Busway stations, and other noteworthy occasions. A total of 368 press releases were sent to the area's newspapers, magazines, radio and TV stations.

Advertising throughout the District's service area also supported the introduction of new facilities and improvements. Media included newspaper ads in virtually every community and metropolitan publication, radio commercials, outdoor posters (billboards), bus posters and cards, and a variety of special displays, literature racks, counter cards, and signs.

The department runs what amounts to a small publishing business to keep the public informed of the stream of route and schedule changes, new services, and continually growing operations of the District and its employees in general.

A modern audio-visual section supplemented written and graphic commu-

nication work with special-purpose slide shows, multimedia presentations, and films for showing to groups. Among the latter was the highly successful "Operation Teamwork" movie on vandalism.

Word-of-Mouth Communication. Undoubtedly one of the most helpful, knowledgeable, and necessary information services is that provided by the RTD's 120 telephone switchboard operators. They are highly trained and skilled in the often difficult job of courteously handling an endless chain of queries from a concerned, confused, anxious and sometimes irritated public.

Each of these information specialists must learn the routings, schedules, and fares of RTD buses that serve an area extending 90 miles east and west, and 50 miles north and south. They must keep abreast of a complex set of schedules that vary not only seasonally but between weekday, Saturday, Sunday, and holiday service.

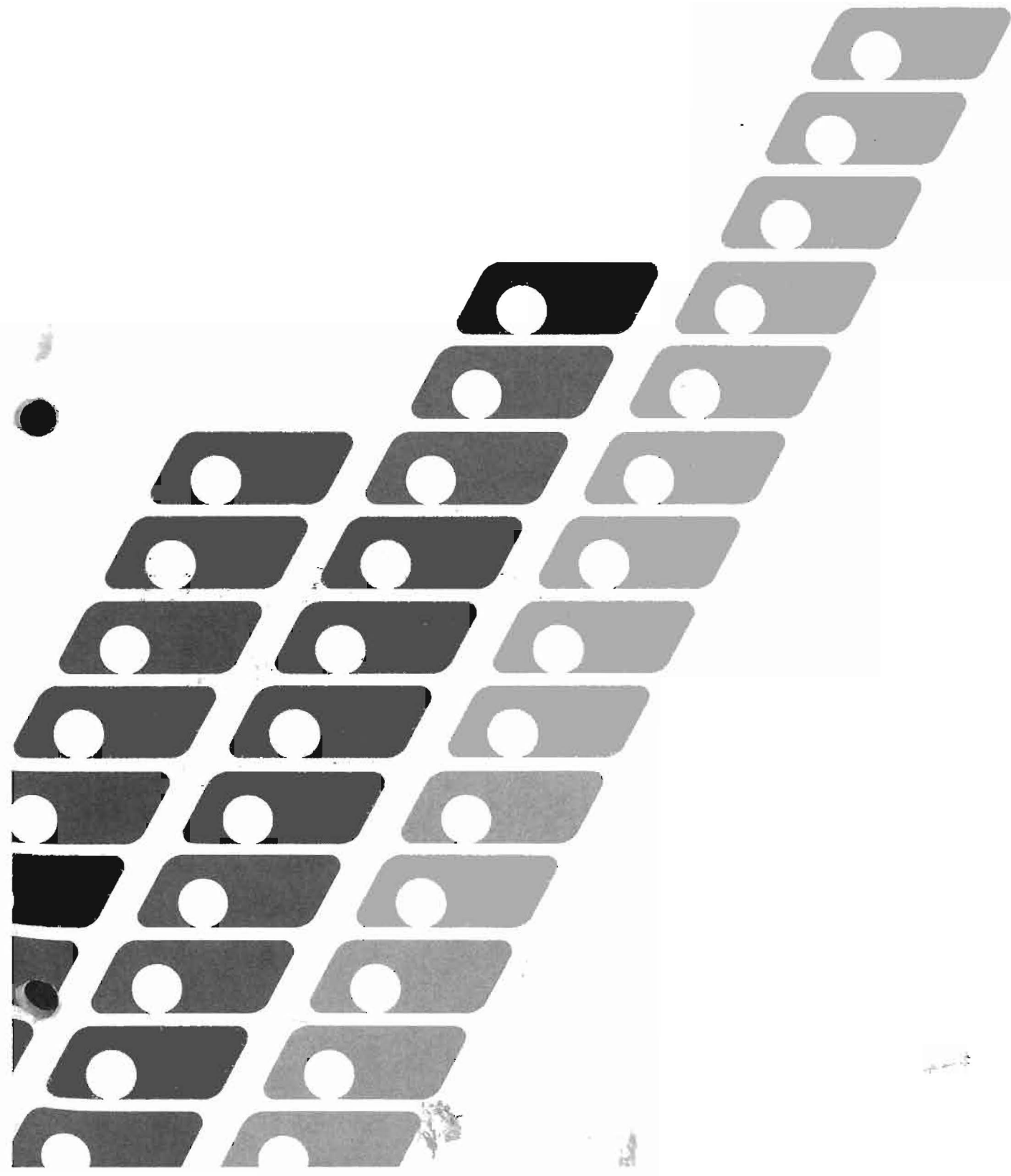
Telephone switchboards are staffed 24 hours a day, 365 days a year. Bilingual operators are available to aid Spanish-speaking patrons.

Approximately 9000 calls were handled during an average workday last year. During peak periods, when the full 36 answering positions were operational, more than 600 requests for information came in each hour — a call every six seconds.

A busy signal does not let anyone off the hook. When all answering positions are busy, calls are acknowledged by a recording, held in rotation, and answered in order as soon as previous calls are finished.

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

ANNUAL REPORT 1975-76



President's Letter

To: Legislative bodies of the Southern California Rapid Transit District, Honorable Members of the California State Legislature, and Chief Administrative Officers.

Gentlemen:

I'm pleased and proud to report that the 1976 fiscal year was one of notable progress in public transportation in the Los Angeles area. Bus service improvements cumulatively were the greatest of any single year in the history of the District.

Progress brings with it, however, an intensified reminder of the responsibility shared by everyone, every agency, every government body involved or concerned with the operation of the SCRTD. It's a many-sided obligation.

Fiscal responsibility continues to be one of the most important aspects. Its exercise requires an awareness not only of such standard items as the effects of inflation on operating costs, but also of many special financial problems peculiar to the District.

For example, we are now operating with reduced subsidy from the County of Los Angeles, although our services increased this past year.

A good part of the increase can be attributed to direct contractual requirements tied to the large local and federal subsidies that began two years ago. These allowed such positive changes as the flat 25-cent fare, a major improvement. We also added routes, increased schedules, put on more buses.

All these factors produced a healthy growth in patronage of our bus system. This in turn required more buses, a never-ending expense to begin with because of replacement needs, and a continually increasing one due to inflation.

Once installed, service improvements are difficult to remove. They must be continued until tested for a reasonable period of time.

Thus the Board had no choice but to increase fares effective with the start of the new fiscal year. Although done with regret (increased fares, as well as being a burden on the rider, historically result in a drop in bus patronage), we felt that it was modest, justified, and above all, fair.

The need to be fair to the public in every form: communities, areas, corridors, individuals, special groups, is another prime responsibility of the District. It is one to which the Board is devoting a greater amount of effort than ever.

More board and committee meetings are being held, more studies made in user areas, more feedback obtained and weighed before decisions are made. A committee of the whole has been formed and meets every month to ensure an overview of our plans, goals, and actions.

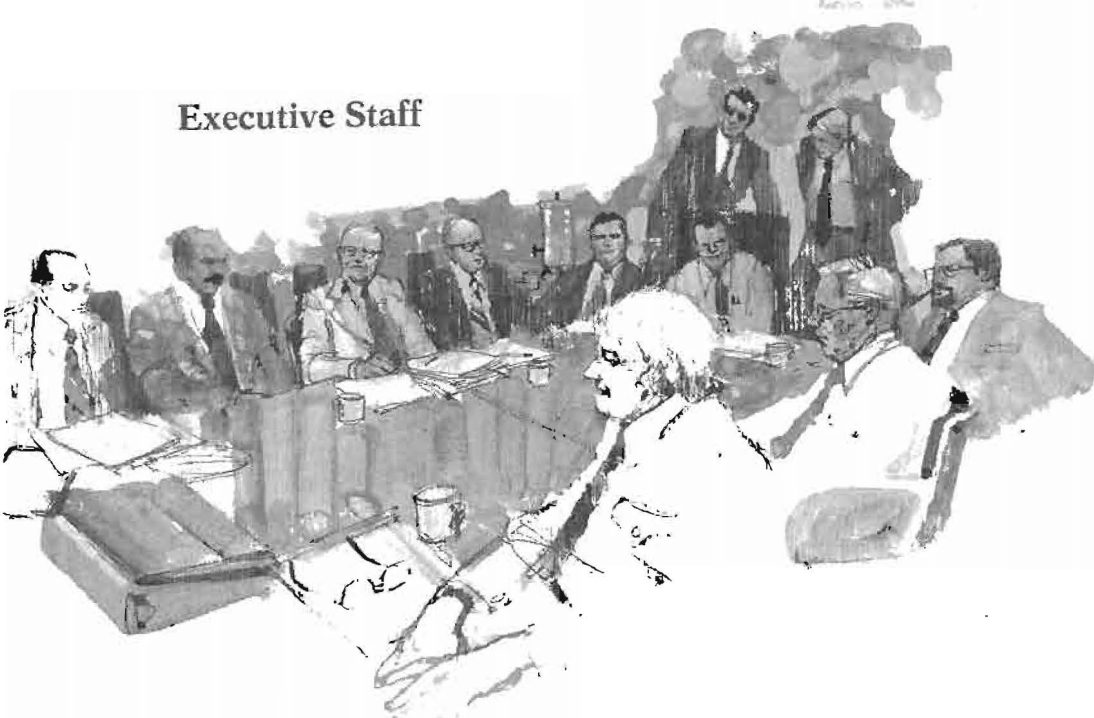
These are some of the ways in which your Board of Directors and professional staff members have attempted to answer the needs of the District this past year. With the increased involvement of all affected government bodies and individuals, and their recognition of the unique responsibilities and special problems inherent in public transportation service, we look forward to fulfilling our mandate even more effectively in the year ahead.

Respectfully,



Byron E. Cook
President

Executive Staff



Jack R. Gilstrap
General Manager

George W. Heinle
Manager of Operations

Jack Stubbs
Assistant General Manager for Administration

Richard Gallagher
Manager of Rapid Transit

Joe Scatchard
Controller, Treasurer, Auditor

Richard T. Powers
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George L. McDonald
Manager of Planning & Marketing

Richard K. Kissick
Secretary

Robert Williams
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John S. Wilkens
Manager of Employee Relations

Michael Olivas
Deputy Administrator—Equal Employment Opportunities

Richard B. Dimon
Director of Marketing and Communications

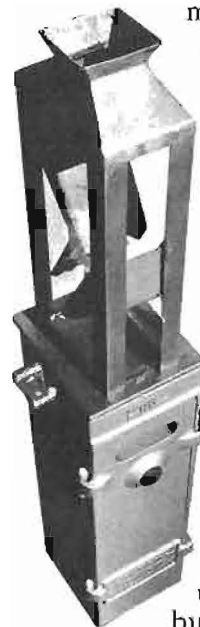
Report from the General Manager

By the end of fiscal 1975-1976 we had markedly improved public transportation for our citizens in six major regions of the Los Angeles basin. The improvements you will read about on the following pages are part of a total effort that involved more than 200 additional buses and 100 new or improved routes.

They are all the more remarkable because the four most recent, and expansive, programs all had to be put into effect essentially in the last six months of the fiscal year. This was necessitated by the concern of our Board of Directors over the restrictive provisions of the labor protective agreement resulting from requirements within the Urban Mass Transportation Act of 1964, as amended.

The Board continued discussions with the U.S. Department of Labor through the Fall of 1975, finally signing the agreement rather than sacrifice Federal funding. A severe compression of time was thus imposed on the implementation of the service improvement programs, and equally, on the supporting elements of the operations such as employment, training, public information, and rider services.

The programs which were instituted despite these complications are the end products of a \$181 million budget. Operating costs for Fiscal 1976 were close to \$160 million—almost 88 percent of our entire budget. Capital costs, including debt service, accounted for the remainder.



The reduction in County subsidy in support of operating costs required an increase in our fare structure with the establishment of the modest zone system to replace the flat fare program previously in effect. The 25-cent base charge allowed travel within two adjacent zones; an additional 25 cents was charged for travel into the third zone.

Although the fare increase was approved reluctantly by the Board, it was felt to be equitable from several aspects. For one, the cost of public transit to the rider, relative to other living costs, has actually declined in recent years.

Since 1968, the last year in which the RTD operated solely from farebox revenues, the cost of living has increased more than 60 percent.

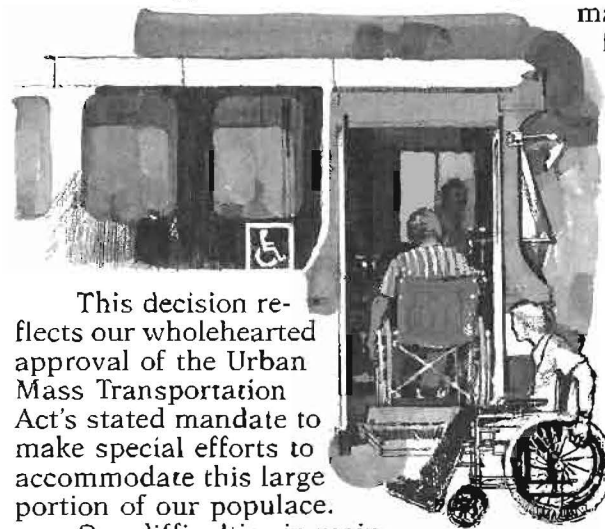
As costs in all elements of living continue to escalate, the taxpaying public can be expected to look to the rider to pay a greater share of the cost of bus service. Similarly, the Federal government requires evidence that a responsible share of the financial burden is carried by the public a transit agency serves, before that agency can expect to receive the necessary subsidies to build a long-range rapid transit system.

It has long been a fact of life that most public transit operators depend on the support and cooperation of various levels of government. Only large-scale, sustained commitments to the revitalization of public transit will attract a significant portion of commuters to its use.

Some of the difficulties in continuing the revitalization of our own transit service can be seen in the mundane task of

simply keeping our present buses running. More than 10 percent of our fleet is over 20 years old. During the past two years not a single bus, including the 200 or so with more than a million miles of wear, has been retired from service because of age. In the 1974-1975 time period, we had to purchase and refurbish more than 130 pieces of used equipment which had been discarded by other transit agencies.

The problem of replacement was complicated by the decision of our Board of Directors not to purchase new buses which are not accessible to the elderly and handicapped.



This decision reflects our wholehearted approval of the Urban Mass Transportation Act's stated mandate to make special efforts to accommodate this large portion of our populace.

Our difficulties in maintaining our aging bus fleet in view of these problems, and in light of the increased use in the improved service programs of which you are about to read, will not lessen soon. Our constant goal is to improve the quality of our service.

We cannot follow our belief in the broad positive impact of public transportation and do less. Public transit is economically related to business growth, environmentally related to clean air, quiet, and privacy. It affects

attractive urban and suburban surroundings.

We're pleased that in Fiscal 1976 the District made a very large step in that direction. However, I cannot conclude these comments without stating in the clearest possible terms that this agency faces severe financial problems in the future. If the present level of service and reasonable fares are to be maintained, additional tax assistance must be forthcoming.

Without additional funds, all of the progress we have made over the past three years — the new grid services, Park 'n' Ride programs, increased night and weekend service, and many others, the need

for and acceptance of which are proven by the 40 percent increase in ridership we have recorded — may be lost.

To put it bluntly and unequivocally, action by the legislature is absolutely essential in order to avoid a decline in public transit in Southern California.

Respectfully,


Jack R. Gilstrap
General Manager

Operating Highlights/Service Improvements

REGIONAL ENRICHMENT PROGRAMS

The most massive concentrated improvements in RTD service to the public during the year were the "enrichment" programs put into effect in four major sectors of the Los Angeles basin: East Los Angeles, the Mid-Cities area, San Gabriel Valley, and the South Bay.

Similar in scope to the grid systems in South Central Los Angeles and the San Fernando Valley implemented last year, these new services comprise a series of regional improvements that nearly circle the county. Literally millions of people are benefited by more buses, more lines, more stops, and shorter intervals between buses.

East Los Angeles—

This new system of criss-crossed bus lines serves five E.L.A. area communities. With 21 additional buses the area fleet totaled 131, providing at least one every 20 minutes on weekdays. Daily miles traveled have increased by 32 percent.

The system was devised to create a rational, integrated transit network out of a collection of relatively independent lines formerly serving the area. The new system's quick success was due in large part to the fact that the affected community was completely involved in helping plan it.

In a series of meetings before its implementation RTD staff members met with the people who would use the system. They heard from the riders and residents themselves about the problems of the old service and what they felt was needed to improve it.

Mid-Cities—

A new approach to sub-regional bus service is represented by the transit system installed in early 1976 in this Southeast Los Angeles County area. A fleet of approximately 200 buses are now devoted to the sector's 12 cities.

Both regional and local service is provided in the new system. High-speed, cross-country service on several major thoroughfares is combined with various tributary routes serving large residential areas and high-activity centers.

The combination of local and regional service satisfies the most pressing travel demands represented by the area. Six cross-county lines form the skeleton of the system, with express service on the Santa Ana Freeway the spine. The rest of the system is composed of lines which interconnect the 12 cities.

Travel time on all routes has been cut dramatically by the design of the new system. Additionally, frequency of service has been increased so that no line operates at intervals longer than one hour, with 80 percent of the new lines operating at frequencies of 30 minutes or less.

San Gabriel Valley—

One of the most ambitious public transportation programs ever undertaken in a single portion of Los Angeles County began with inauguration of this bus expansion program. More than one-third of the incorporated cities in the county are affected by the system, which covers 348 square miles.

More than 350 buses now cover the area's 29 cities, traveling 937 one-way miles on 50 routes. This adds up to 75,093 daily miles of operation.

Buses are available weekdays every 20 minutes on all routes west of the El Monte Busway Terminal and in the Pomona area, and even more frequently at peak hours on many routes. The system includes two Park 'n' Ride lines, and six lines extending from adjacent regional county sectors in the area.

South Bay—

A new 39-line, 700-mile system greatly improved local and regional bus service in this widespread region. An increase of nearly 25 percent in both route miles and vehicles was included in the program.

Service was provided to nearly every major employment, educational, recreational, shopping, and social service center in the region. Twenty-one communities are served, with 30-minute schedules provided on most lines.

The less densely populated areas west of the Harbor Freeway from International Airport to San Pedro received 60-minute service.

The new transit network featured five new freeway lines into downtown Los Angeles, a virtually all-new system of bus service for the Palos Verdes Peninsula, and a new Mini-Bus shuttle service and transfer terminal at International Airport.

Line 1776—



On a much smaller but historically significant scale, two bicentennial "cultural loops" were set up for two months in Los Angeles in early summer. Established to help the city commemorate the nation's bicentennial event, the Sunday-only bus runs took riders to 13 selected points of cultural interest.

For 50 cents an increasing number of passengers traveled to local attractions of interest to art lovers, history buffs, residents, and out-of-towners alike. Sites visited ranged from the La Brea tar pits to museums, galleries, and the Los Angeles zoo.

RIDERSHIP INCREASES

The best indication of the effectiveness of the regional enrichment programs and other bus services was given by the patronage figures compiled at the end of the fiscal year. An overall increase of 21 percent in total weekday passenger one-way trips was recorded, with 800,000 riders in FY 75-76 compared to 630,000 per week the previous year.

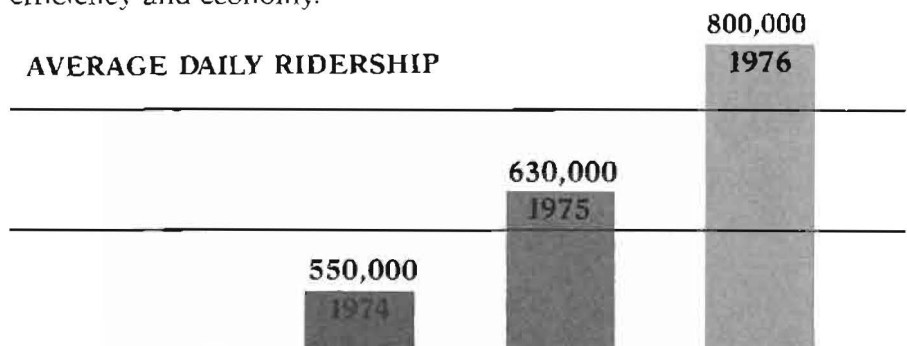
The success of the regional programs was evident in such gains as the 12.5 percent increases in both East Los Angeles and San Gabriel Valley.

The El Monte Exclusive Busway showed a 19.6 percent gain in the first three weeks of the San Gabriel program, with ridership approaching 19,000 daily on that facility alone.

SERVICE EVALUATION

We have been intensifying our efforts in the critical area of service evaluation. We have instituted a comprehensive program in order to insure the best use of all our rolling equipment and facilities. This is a massive and continuing project involving the examination of our operations on a line-by-line basis, rating one against the other, finding any underutilized resources and equipment that can be shifted to other services offering greater potential in efficiency and economy.

AVERAGE DAILY RIDERSHIP



NEW BUS STOP SIGNS

Improving bus service by placing route and schedule information on display at every stop was the aim of an experimental sign program inaugurated with the start of the Mid-Cities area enrichment service. It was the first time the District provided bus stop information signs throughout an entire subregional area.

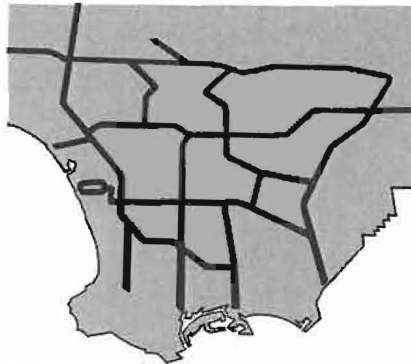
The 6 by 22-inch panels hang just below the familiar yellow triangles that designate RTD stops. Each panel gives would-be riders all essential route and schedule information about that bus—where it goes, how often—plus a telephone number for more information.

The program involved production of 3,300 signs for the approximate 3,000 stops in the Mid-Cities area.



SUNSET COAST LINE

Seeking again to obtain the public financial support necessary to begin construction of a true rapid transit system, the District authorized the placing of two one-half cent sales tax measures on the June election ballot. The proposals were designed to finance a 232-mile rail system over a 30-year period on a pay-as-you-go basis.



Called the Sunset Coast Line, it would have reached virtually all geographical sections of the District, serving directly 44 cities in the county. Construction was to be, as much as possible, over existing rights of way—along freeways, flood control channels, and railroad lines—thereby minimizing expensive condemnation proceedings and the line's impact on the environment.

ALTERNATIVES ANALYSIS

Although the Sunset Coast Line measures were defeated, the District is continuing to carry out its chartered mandate to plan and build a rapid transit system. In order to determine the most efficient and cost-effective system for the Los Angeles region, a seven-volume "alternatives analysis" report was compiled by year's end for use by the various governmental agencies considering the merits of 15 possible transit alternatives.

The report was made in compliance with requirements established by the Urban Mass Transportation Administration (UMTA) as a condition for receiving federal funds for rapid transit construction. Federal funds are available at a ratio of four federal dollars to each local dollar.

While some of the 15 possible alternatives are regional in scope, those calling for major construction are within a 55-mile-long starter line transit corridor extending from Canoga Park in the west San Fernando Valley through downtown Los Angeles and south to the Long Beach/Harbor area.

The extent of the alternatives ranges from modification and refinement of the present bus system to a \$2 billion bus/rail combination plan. The latter calls for a dramatic upgrading of the bus fleet and construction of a 61-mile rapid rail line.

Also reviewing the alternatives analysis report was the Rapid Transit Advisory Committee (RTAC). A joint-agency technical group, RTAC was formed by the District to analyze available transportation data, obtain needed additional data, and suggest those corridors which appear best suited for a starter line.

RTAC is comprised of representatives from the California Department of Transportation, Southern California Association of Governments (SCAG), the RTD, Los Angeles County Board

of Supervisors, the mayor of Los Angeles, City Council and Planning and Engineering staffs, the City of Long Beach, Orange County Transit District, and other interested parties.

PARK 'N' RIDE GROWTH



Patronage of RTD Park 'n' Ride facilities improved during the year. Three new lots were established specifically for use in conjunction with the Santa Monica Freeway Diamond Lane experiment.

A survey conducted among more than 1500 regular patrons of 10 Park 'n' Ride facilities revealed some interesting facts which will be useful in planning future lots and bus lines. A major finding was that more than half of these commuters use the park/ride concept in order to cut gasoline and other auto-related costs rather than from dire necessity.

The average patron was found to be relatively young (median age 36) and affluent, having a total household income of about \$19,000. Two-thirds owned two or more cars.

EXCLUSIVE FREEWAY BUS LANES

The SCRTD participated in the Santa Monica Freeway Diamond Lane program developed and put into effect in March 1976 by the State Department of Transportation (Caltrans). A great deal of valuable planning information was obtained in this experiment. Many of the service improvements established for the program were retained in permanent use after cessation of the diamond lanes themselves.

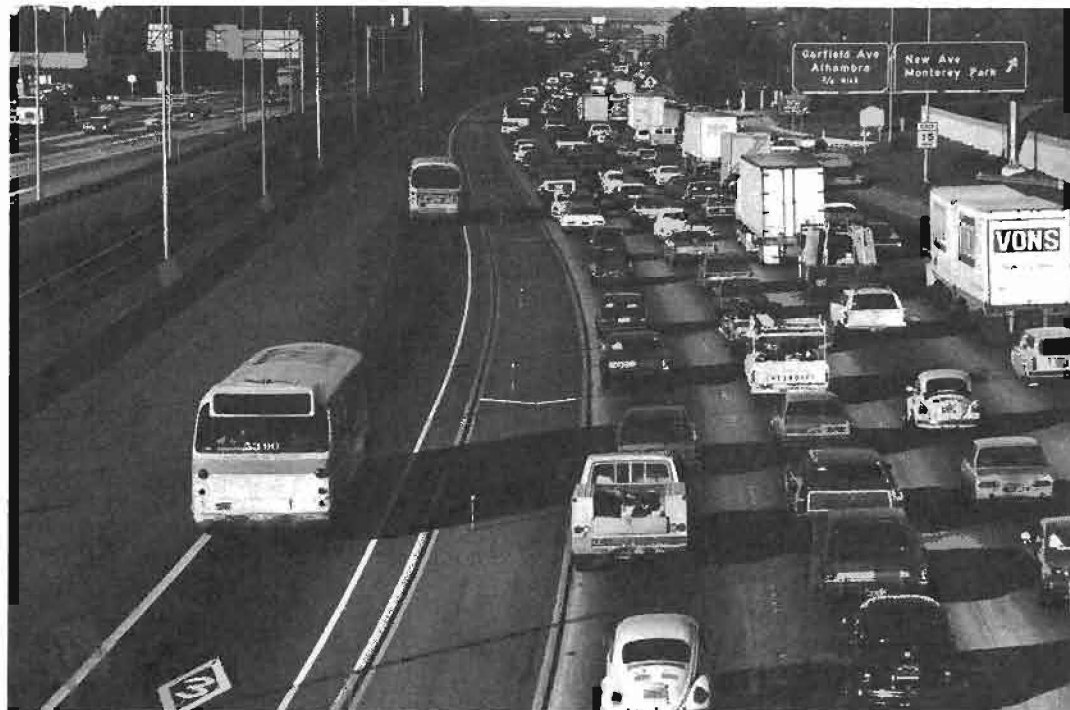
A total of 50 buses were added to those in regular service in the area. Seven express lines were created to speed commuters downtown from Westside areas extending all the way to the beach and Los Angeles International Airport. Additional runs were added to relieve standing-room-only conditions on some lines as early as three weeks after the program began.

The El Monte exclusive busway on the San Bernardino Freeway also continued its rise in popularity during the year. Ridership topped 19,000 daily — more than 12 times the number of San Gabriel Valley patrons who commuted by

bus to Los Angeles before the facility was established.

Professional recognition of the system and its facilities was also received during the year. The Institute for the Advancement of Engineering gave the busway its 1976 Engineering Project Achievement Award. Highest honor bestowed by the Institute, the award is given on the basis of originality, evidence of engineering creativity, and contribution to human advancement.

The busway's University Station at Cal State Los Angeles was awarded the National Gold Medal of the Society of American Registered Architects. Conceptually designed by RTD engineers, the impressive concrete, steel, and glass structure is on three levels, with westbound and eastbound loading platforms 20 feet and 60 feet below a 135-foot-long pedestrian bridge leading to the street and campus.





MAKING IT EASIER FOR THE USER

Improving service included more than adding extra buses and new lines throughout the year. In some areas it took the form of providing a better, direct channel of communication between the District and the public it serves.

Regional Planning and Community Relations offices were established in the Mid-Cities, San Gabriel Valley, and South Bay areas covered by the new service enrichment programs. Staffed by trained, experienced RTD specialists, they provide a day-to-day point of contact for residents. Results included not only the identification of potential problems but solutions to them, and system refinements benefiting both present and potential riders.

EXPANDED MINIBUS SERVICE

Utility as well as popularity of the colorful short-run RTD Mini-Buses also increased last year. New lines were established serving downtown Los Angeles, International Airport, and Westwood Village.

A new circulation loop was added to the system in the central business district, doubling the popular service there. Thirty-three Mini-Buses were in service on the two lines every five to 10 minutes from 7 a.m. to 6:30 p.m. Monday through Friday, and every six minutes from 9 a.m. to 4 p.m. Saturday.

Mini-Bus shuttle service was established from the transfer terminal in the new South Bay regional bus system to the doors of the various passenger terminals at Los Angeles International Airport. Buses were scheduled every eight to 10 minutes from 5 a.m. to 1 a.m. seven days a week.



The service was designed for the convenience of airport employees, air travelers, and bus travelers alike. Because the smaller buses are much more maneuverable than the standard-size vehicles formerly making these runs, trip times were shortened and schedule reliability improved.

An experimental program serving the highly congested Westwood Village-UCLA commercial center proved so popular it was extended beyond the fiscal year. Patrons of the many restaurants, shops, and theaters in the area were encouraged to park their cars free at the nearby Federal Building parking lot and take a Mini-Bus from there.

This they did in droves—averaging as many as 25 passengers per load in the little 20-passenger buses. The need for such a service during peak entertainment hours was thus proved. Buses were made available every eight minutes from 7 p.m. to 1 a.m. Friday and Saturday evenings.

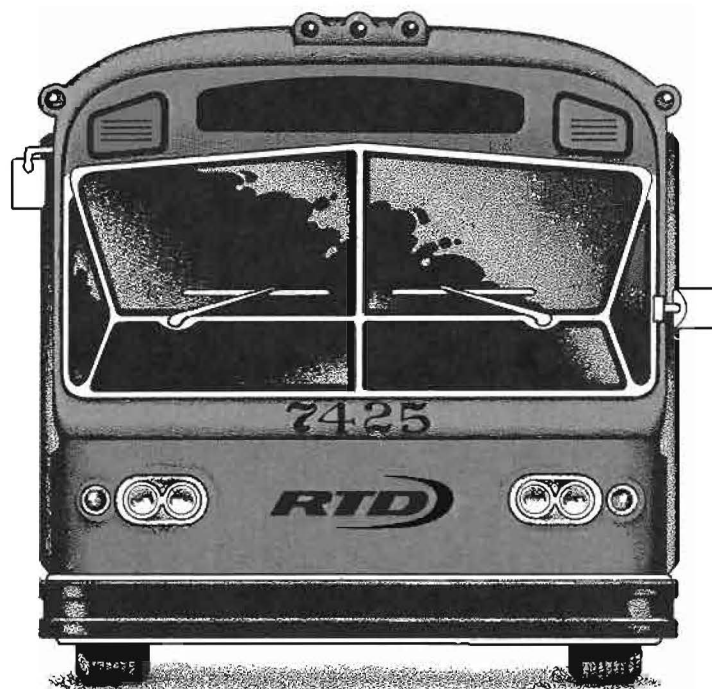


A NEW LOOK

Better service through increased efficiency within the District itself was pursued in two ways in 1976.

In the spring SCRTD headquarters were moved to a modern six-story building at Fourth and Main Streets in downtown Los Angeles. The functionally designed rooms and facilities—accommodating 500 personnel in place of the 400 of the previous 55-year-old headquarters building—enhance the efficiency of the daily staff performance.





PRESIDENT'S LETTER

To: Members of the Public,
Chief Executive Officers
and Legislative Bodies of
the Southern California
Rapid Transit District,
Governor of the State of
California, Honorable
Members of the California
State Legislature, and Chief
Administrative Officers.

The fiscal year ended
June 30, 1977 was beset with
difficulties for the Southern
California Rapid Transit Dis-
trict. Lack of resources caused
reduction in service, increase
in fares and employee layoffs.
Continued use of over-age
equipment and increase in pas-
senger load factors on heavy
use lines resulted in deteriora-
tion of service quality.

At a time of accelerating
need for an adequate public
transportation system, this
situation is deplorable. The
remedy can only come from
expanded and dependable
sources of revenue. During this
coming year, the District will
be doing everything possible to
find and establish such sources.

The District is committed
to two major goals in respond-
ing to its legislative mandate
to provide public transporta-
tion. One goal is to provide the
best possible service to the
transit dependent - low income
families, the aged, the handi-
capped and the young. For
these people public transporta-
tion is not an alternative, it is
the only means of transporta-
tion. For low income persons
it is the only way they can get
to their jobs, remain productive
in society and avoid depend-
ence on public welfare. For the
aged, the handicapped and the
young, it is their only means
of mobility, and without it they
are virtual prisoners.

The other goal is to provide
the middle income suburban
family a viable alternative to
the second car. It is already
apparent that the dwindling
supply of energy and spiraling
inflation will make it more
difficult in the years imme-
diately ahead for the middle
income family to maintain its
life style including two auto-
mobiles. The second car - the
one used to drive to work, left
all day and then driven home
to the garage - costs on the
average about \$2500 a year.
That money can better be spent
to meet the increased costs of
shelter, food, clothing, educa-
tion, etc. To give these families
a choice so they may rid them-
selves of the second car burden
requires a dependable, conven-
ient and effective transit system.

In order to provide explicit,
goal-oriented policy guidance
to the District's Management,
the committee structure of the
Board of Directors was ex-
panded during the past year to
focus on major areas of District
operations. These working com-
mittees are providing more
relevant information to the
entire Board, enabling it to
better guide District policy.
Heavy emphasis has been
placed on careful review of
District costs, and a Board-
commissioned audit of manage-
ment techniques has been
commenced to find ways to
increase productivity and
obtain top operating efficiency.

Despite the ongoing prob-
lems of the past year, the Board
of Directors and Management
have pursued new and innova-
tive ways to make our bus
system more efficient, attrac-
tive and convenient. The Board
has a firm policy that whatever
makes public transportation
common sense is to be explored.
In keeping with this policy, an
immediate program was
started to acquire additional
double deck buses; soon the

long, difficult process required
to obtain buses accessible to
the handicapped will be com-
pleted; larger capacity articu-
lated buses will shortly be
delivered; the downtown mini-
bus continues as an excellent
high density circulation system
and plans have been drawn
for expansion of this type of
service into other high density,
traffic clogged areas; under
experiment is the use of
mini-bus type equipment in
communities with narrow
streets and terrain features not
appropriate for regular size
transit buses; a very successful
Airport Express service was
established in place of the
inadequate and finally bank-
rupt system previously serving
the Los Angeles International
Airport; an experimental
computer response system for
the telephone information
system will soon be installed;
and a greatly expanded net-
work of bus pass sales outlets
is being created utilizing super-
markets and department stores.

As previously described,
the District's overriding need is
for increased revenue. With an
annual budget of \$230,000,000
in Fiscal Year 1978, the District
is one of the largest public
agencies in Southern California.
Yet we have no direct source
of funds other than farebox
revenues and must depend
upon grants from local, state
and federal agencies for sup-
plementary funding. Your
support and counsel in how
additional funding can be
obtained to accomplish our
missions is invited.

Respectfully,

Marvin L. Holen

Marvin L. Holen
President
Southern California
Rapid Transit District
Board of Directors
November 1, 1977

EXECUTIVE STAFF

JACK R. GILSTRAP
General Manager

GEORGE W. HEINLE
Manager of Operations

JACK STUBBS
Assistant General Manager
for Administration

RICHARD GALLAGHER
Manager and Chief Engineer,
Rapid Transit

JOE SCATCHARD
Controller, Treasurer, Auditor

RICHARD T. POWERS
General Counsel

GEORGE L. McDONALD
Manager of Planning and
Marketing

RICHARD K. KISSICK
Secretary

ROBERT WILLIAMS
Manager of Customer Relations

JOHN S. WILKENS
Manager of Employee Relations

MICHAEL OLIVAS
Deputy Administrator -
Equal Employment
Opportunities

ANTHONY W. FORTUNO
Director of Marketing and
Communications

REPORT OF THE GENERAL MANAGER

Fiscal Year 1976-77 demonstrated to us as never before our continuing need for additional funding at the state, national, and particularly the local level.

As we had anticipated, rising costs caught up with revenues, and it was necessary for us to increase fares for most riders and to reduce operations in line with available income. This meant a reduction in service by increasing the intervals between buses, and by reducing or eliminating evening and weekend

service on bus lines with low patronage.

These stringent measures also included reducing the total number of our contract and non-contract employees. Wherever possible we handled these reductions through normal attrition, but it was also necessary to furlough some employees indefinitely. We deeply regret these cutbacks in service and these layoffs, but they were made only because of dire necessity. The result was a reduction of 8 per cent in personnel from a September, 1976 peak of 7,500 employees, and a reduction of \$18 million in our annual operating cost.

As a consequence of these reductions, our program of expanded service, initiated three years ago, has been interrupted. A positive result of this belt tightening has been increased productivity and a reduction in the tax subsidy





per passenger from 35.8 cents to 34.5 cents. This represents a major accomplishment in this time of mounting inflation. These actions taken in Fiscal 1977 have created a firm foundation on which to build a stronger, more productive organization. Despite our financial difficulties and the interruption



of service caused by a 36-day work stoppage, the year was one of forward movement. Credit for this accomplishment belongs to dedicated RTD personnel who proved once again what can be done by people working together toward a common goal.

Our fare box revenues were up to a new high, reaching \$62,937,000 in Fiscal 1977, compared with \$53,596,000 for the previous year.

Patronage on the El Monte Busway climbed to a record 19,000 per day, and the busway won national recognition in the transportation press for its success in providing high speed commuter service to thousands of Southern Californians.

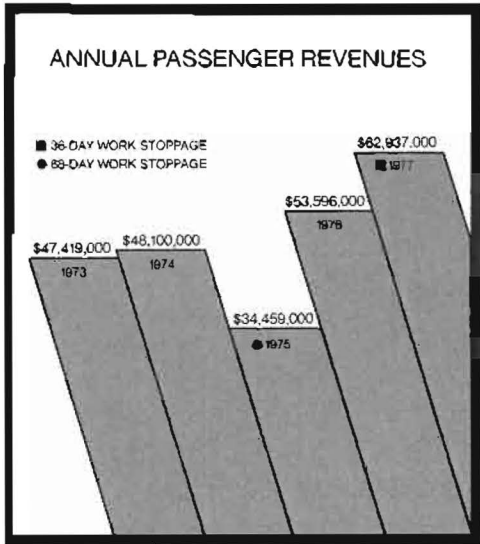
The public acceptance of the RTD Airport Express Service has been equally impressive. When the RTD began the airport operation, ridership was approximately 8,000 passengers per week. In June, ridership on Airport Express lines reached over 15,000 passengers per week, a 90 per cent increase.

As to the future, the RTD is managing a multi-agency planning effort to greatly expand the bus system and to implement Los Angeles' first rapid transit segment as early as the mid-1980's. These projects were started by the RTD in Fiscal Year 1977 through a federally-funded study of a Regional Transit Development Program. With local and community support and federal funding, this regional program can progress without delays.

However, we cannot emphasize too strongly the need for increased transit efficiency and effectiveness as well as increased funding. The

RTD is not alone in this urgent need. Nearly every large transit property in the United States is experiencing serious financial difficulty.

Only by positive action by local, state, and federal governments will the nation's transit properties be able to meet the transit needs that will arise with the shortages of petroleum products expected to occur in the years ahead.



The RTD is committed to responding quickly and efficiently to the present and future needs of the communities it serves.

Respectfully,

Jack R. Gilstrap
General Manager

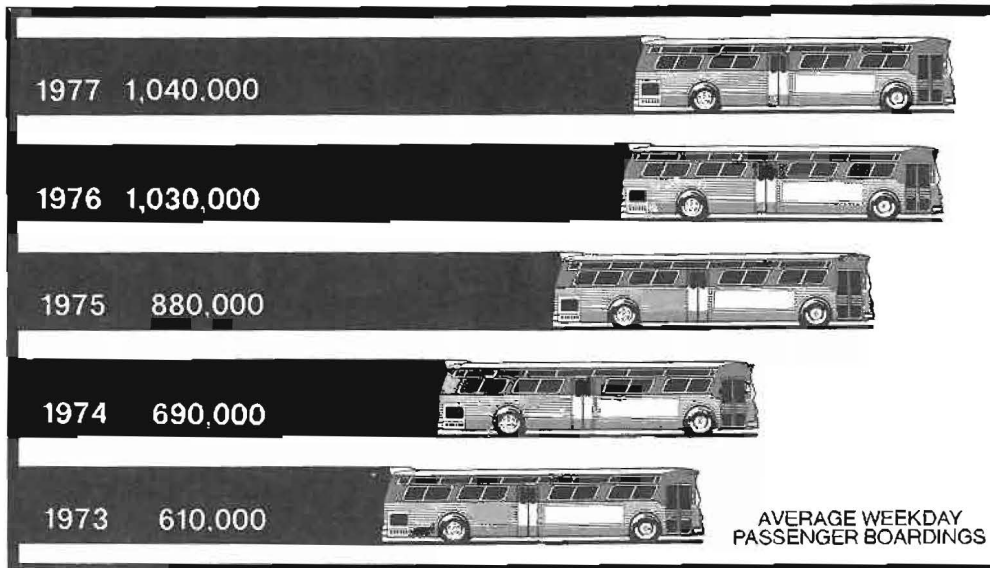
OPERATING HIGHLIGHTS/ NEW PROGRAMS

productivity

A positive factor in the District's budget performance in Fiscal Year 1976-77 was its Productivity and Efficiency Program, initiated as a means of combatting the continuing rise in operating costs.

With 450 fewer employees at the end of Fiscal Year 1977, average weekday boardings increased to 1,040,000 as compared to 1,030,000 in the previous fiscal year, despite a 36-day work stoppage and a fare increase. The work stoppage caused total annual boardings of 282,000,000 in Fiscal Year 1977 to be less than the 310,000,000 recorded for the previous fiscal year, but

improvements installed in the last three years. Lines found to have patronage levels below 20 passengers per bus hour were targeted for additional study.



The Statistical Profile on Page 2 of this report offers dramatic evidence of the improvements in performance that the Productivity Program has brought in Fiscal Year 1977 as compared with Fiscal Year 1976.

annual passenger revenues were up markedly to \$62,937,000 from \$53,596,000 of Fiscal Year 1976. Average weekday miles increased to 351,000 from 342,000, and annual miles operated hit a new high of 102,900,000 in Fiscal Year 1977, despite the work stoppage.

A major element of the Productivity Program has been a thorough analysis of the patronage of all lines with particular attention to the sector

In some instances, it was found that service was not being fully utilized. Rather than cancel service on a line entirely, service was reduced by increasing the intervals between buses, and by reducing or eliminating weekend and evening service. More than 100 lines throughout the District have been affected by these reductions in service, but these reductions have enabled the District to maintain a high level of service where demand supports it and to operate within its available budget.

More and more, all public transit operators are being required to report their effectiveness according to standards established by state and federal agencies. One of the aims of the District's Productivity Program is to tailor department and division inspection procedures to government

performance audit requirements as a means of reducing the overall cost of preparing reports to support the need for justification for funds.

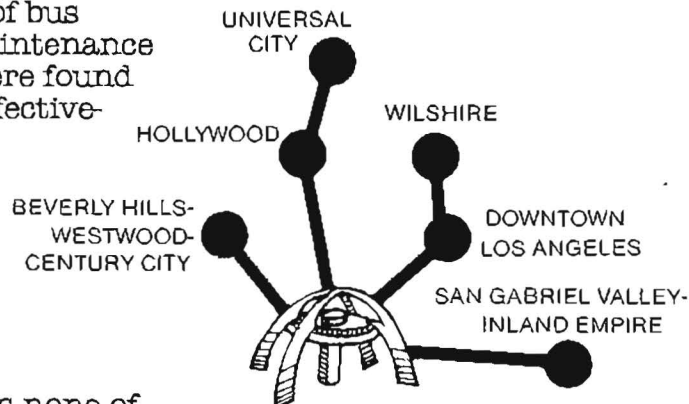
In launching this program for improved performance, management personnel have surveyed productivity efforts in several other major U.S. transit organizations, particularly in the area of bus maintenance. The maintenance operations at RTD were found to rate well in cost effectiveness when compared with other transit properties. The District's goal is to achieve even greater savings through its Productivity and Efficiency Program.

This program has none of the connotation of the old-fashioned industrial "speed up." Rather it demands that Management provide line personnel the means to do a better job.

Technology and expanded management data systems are the key to much of this improvement. Buses that carry more passengers, for instance; new computer systems that schedule runs in a more efficient manner and enable customer information operators to provide more

rapid answers to patrons; new and advanced facilities that enable personnel to accomplish more with less effort — these are examples of how technology can be used to enhance productivity in the public transportation industry.

Average schedule speeds have been increased by 17 per



cent by careful control and monitoring of operating conditions. The RTD also intends to seek ways to enable drivers to shorten their run times through improved traffic control, traffic signal coordination, and flow of traffic on surface streets.

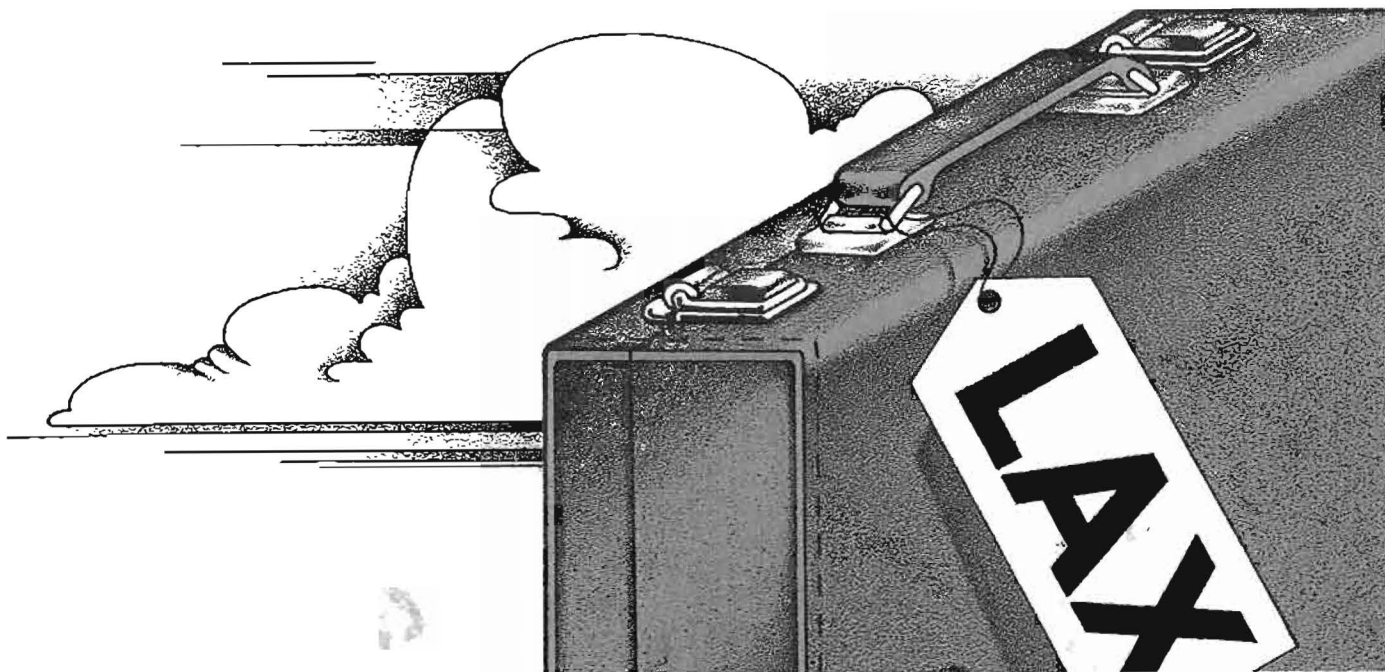
airport express service

Stepping in at the request of the Los Angeles City Council, the RTD began operating its Airport Express Service between Los Angeles International Airport and major hotels in December, 1976, after the private carrier that previously operated the service went out of business.

Response to the improved service provided by the RTD has been enthusiastic.

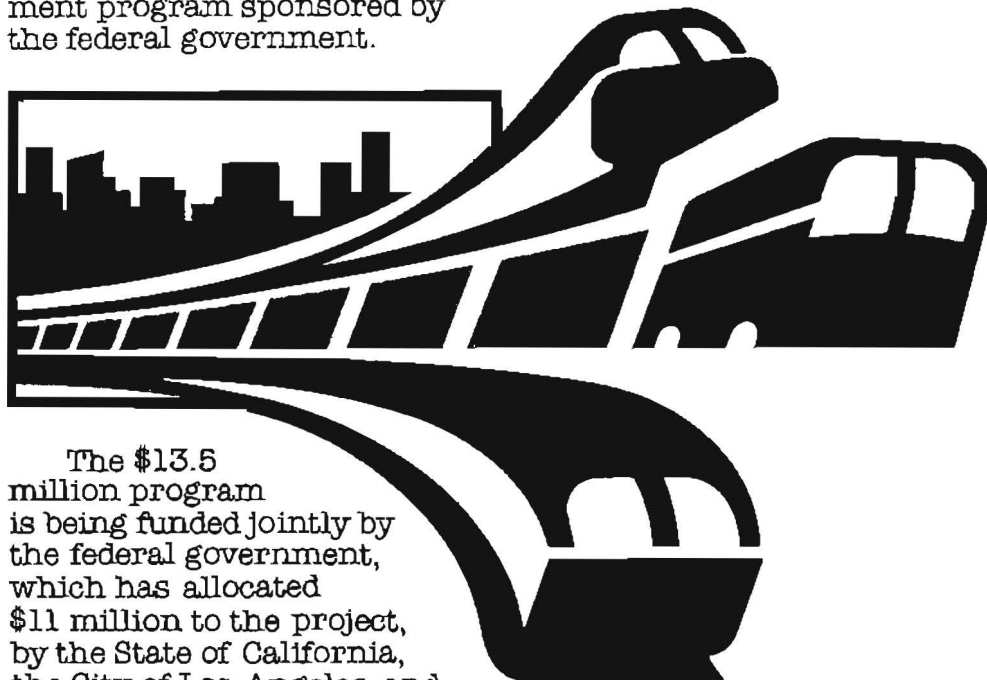
Within the first few weeks it became apparent that the District's operation was a most successful one. Ridership has nearly doubled since the RTD began this specialized service.

The District operates four lines between the airport and major hotels and transportation terminals in downtown Los Angeles/Wilshire District, Hollywood/Universal City, Beverly Hills/Westwood/Century City, and the San Gabriel Valley/Inland Empire.



RTD's major role in regional transit development program

RTD engineers and analysts began work in Fiscal Year 1976-77 on the District's major role in the four-part, multi-modal regional transit development program sponsored by the federal government.



The \$13.5 million program is being funded jointly by the federal government, which has allocated \$11 million to the project, by the State of California, the City of Los Angeles, and the RTD.

The four parts of the program are: A Regional Transportation System Management Program; a Regional Freeway Transit proposal; a Los Angeles Downtown People Mover; and a Regional Core Rapid Transit Segment.

The RTD will be primarily responsible for the Regional Transportation System Management Program and for the evaluation of the Regional Core Rapid Transit element.

The California Department of Transportation will be chiefly responsible for the Regional Freeway Transit proposal, and the City of Los Angeles has the lead responsibility in developing the proposed 2.67 mile people mover project.

Coordination of the program is achieved through the Interagency Coordinating Committee, and, for technical

matters, by the Interagency Technical Committee.

The Transportation System Management Program calls for a critical examination of internal operating methods and marketing techniques, and for further refinements of the existing bus system, including improved routing, scheduling, maintenance, and external street and traffic improvements. More local buses, freeway express buses, and park-ride lots would also be added over the next four years to provide region-wide service improvements. Carpooling will be encouraged. Federal assistance will help continue and expand this ongoing program.

Under the Regional Core Rapid Transit studies the RTD is performing environmental impact studies and initial phases of preliminary engineering for a proposed rail rapid transit line from downtown Los Angeles along the Wilshire corridor and through Hollywood into the San Fernando Valley. As an alternative to rail rapid transit, the Urban Mass Transportation Administration has asked the District to also evaluate several all-bus solutions.



The Wilshire corridor was selected because it represents the most densely populated area in Los Angeles and compares favorably in density with similar areas in other U.S. cities that have rail rapid transit systems.

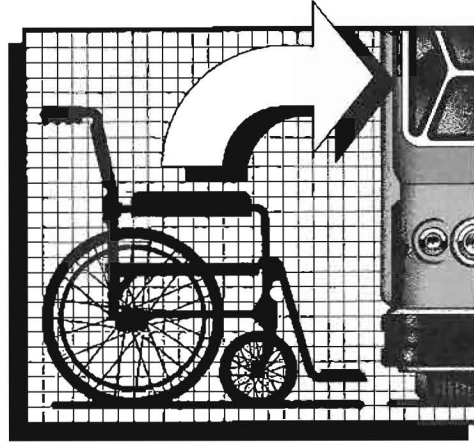
contingency plan

As a safeguard for the public, the Board of Directors has directed the District to assemble a reserve inventory of 300 buses to be available immediately in the event of a gasoline shortage, such as occurred in 1973-74. When the 1973-74 oil embargo occurred, the District had only a few reserve buses. Because it takes many months to obtain new buses, the District at that time resorted to buying used equipment from other transit agencies.

Because of recent service modifications and the pending delivery of 200 new buses, the District will have a surplus of equipment. Rather than sell

these buses, the District's Board of Directors has decided to hold 300 of them in storage in a ready reserve status. This reserve bus fleet will enable the District to respond quickly to greatly increased demand for bus service in the event of an energy emergency.

At the present time, the District transports 3.2 per cent

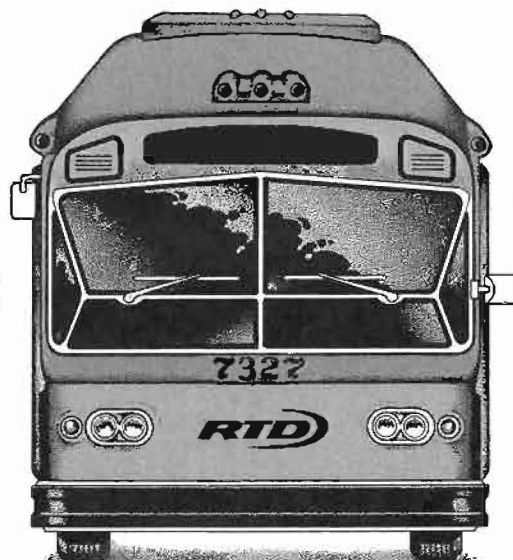
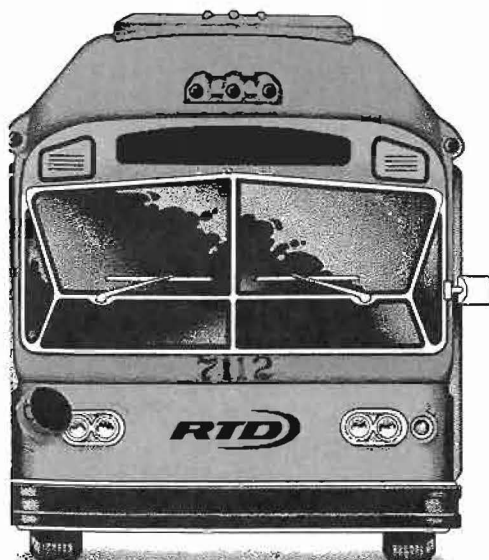


of the daily trips logged in Los Angeles County each week-day. The District's contingency plan, if fully implemented, would enable it to transport approximately 10 per cent of the daily trips.

The 200 new buses have been specially designed to accommodate the elderly and wheelchair handicapped as

well as the general public. They have been purchased in response to a resolution by the Board of Directors, adopted October 22, 1974, that all new buses acquired by the District in the future will be accessible to the elderly and the handicapped. The first of the new buses are scheduled to go into service in 1978.

Recognizing that a severe gasoline shortage would require the RTD to carry many more passengers than at present, the District is aggressively pursuing the short-and-long-range improvements on the Regional Transit Development Program. While numerous projects of this program are under way, the major bus fleet expansion element awaits new sources of funding.



conservation

In recognition of the national need to conserve energy and of the water shortage in California, the District initiated a vigorous conservation program in February involving all employees. Results have been impressive. Long before the City of Los Angeles demand for a 10 per cent reduction in water consumption became effective, the District had achieved substantial reductions in water usage.

A major requirement for water at the RTD is in the washing of buses. New facilities, such as the one at El Monte, have water recycling equipment, which recovers nearly all the water used in washing each bus. At the older facilities, where recycling equipment is not available, the intervals between washings were increased in order to achieve savings.

As the result of this and other measures, the District recorded a savings of 35 per cent in water usage over the previous year for the six month period from February through July.

Substantial savings also have been recorded in electricity and natural gas consumption in District facilities.



This program is being continued as a permanent component of the District's conservation program.

facility improvements

Further progress was registered in Fiscal Year 1976-77 in the District's Five-Year Capital Improvement Program.

A new maintenance building and tire repair facility at Division 3 in the Lincoln Heights section was completed at a cost of \$1.5 million. This facility replaced a 70-year-old unreinforced masonry structure originally built as a trolley shop and converted to a bus maintenance shop in 1955. The new facility has 19 bus repair stations along with a maintenance office, parts storage and other auxiliary uses.

Ground was broken for all-new facilities for the Division 7 yard in West Hollywood in August, 1976. This facility is expected to be completed in the fall of 1977. This project will provide a modern maintenance and service complex for 250 buses at a total cost of \$5.4 million. An important feature is a water-saving recycling unit for the bus washing installation. Water recycling units will be installed in all new maintenance facilities.

The Five-Year Capital Improvement Program proposes improvement or complete reconstruction at most of the District's antiquated division yards. Experience gained at the District's Division 9 facility completed in 1974 has proven that the modern facilities are more cost-effective than the antiquated yards originally designed for servicing rail or trolley cars.

public communication

The substantial increase in passenger fare revenues in Fiscal Year 1977 confirmed the merit of a new public communications program directed at increasing ridership and immediate release of information on RTD operations.

The five-point program, approved by the Board of Directors, concentrated on building ridership for lines with low patronage, increasing pass sales, expanding the subscription bus service, increasing patronage of the Airport Express Service, and enhancing system-wide ridership.

The marketing segment of the program included a campaign of advertisements and promotional activities keyed to specific objectives.

Numerous other departments in the District Offices made important contributions by incorporating the marketing objectives in their day-to-day activities. Operations Department personnel made a significant contribution in providing information on the new bus schedules called for by the economy program, and by assisting the riding public in making a ready transition to a new fare structure.

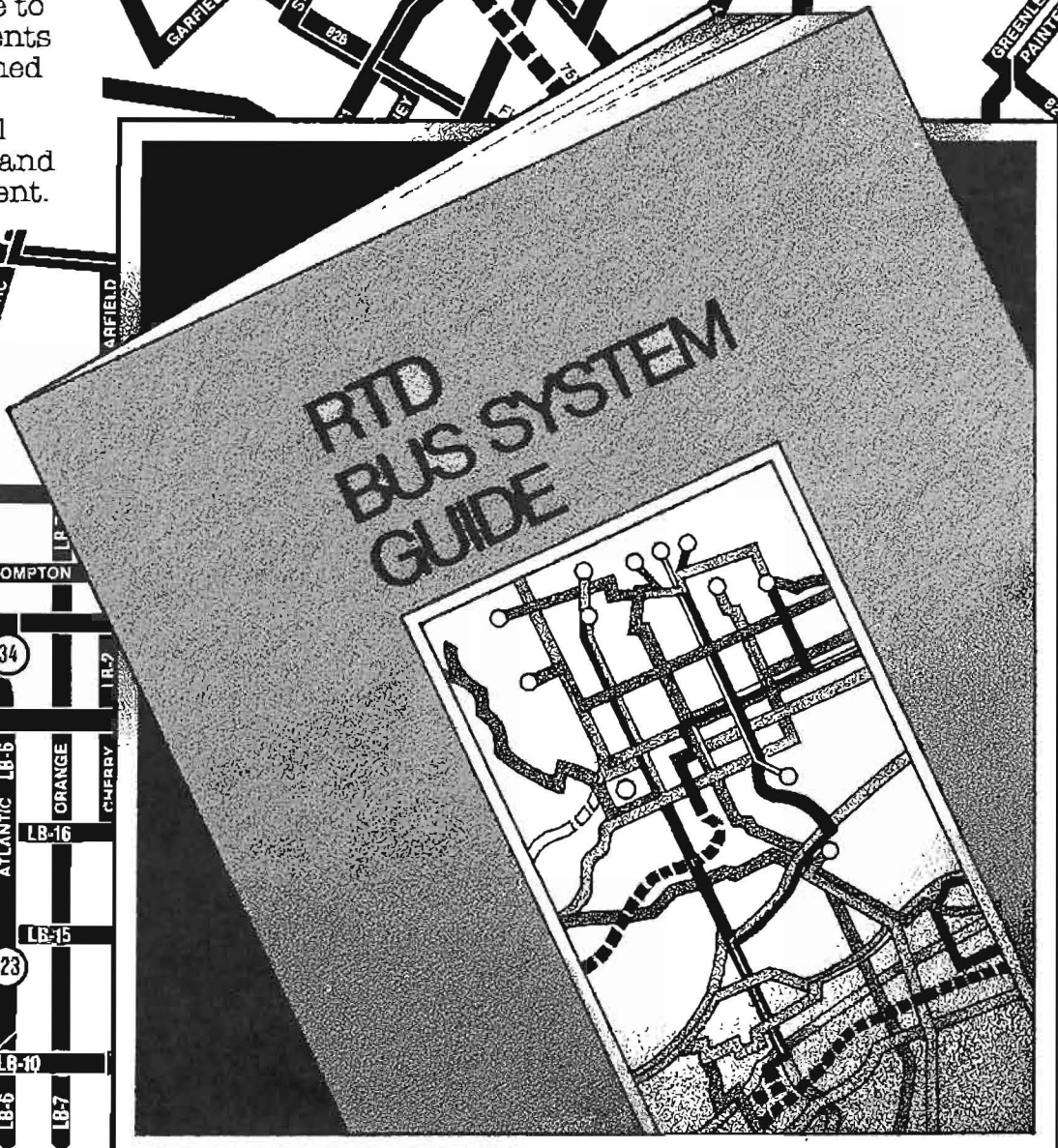
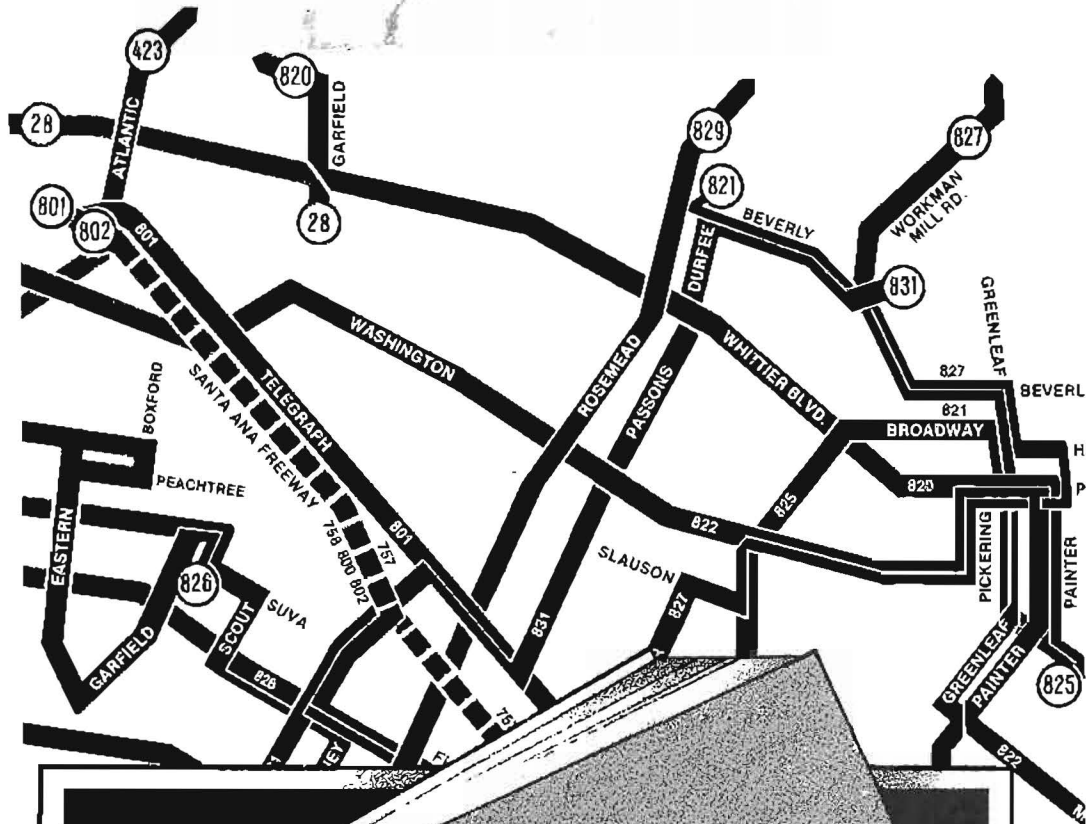
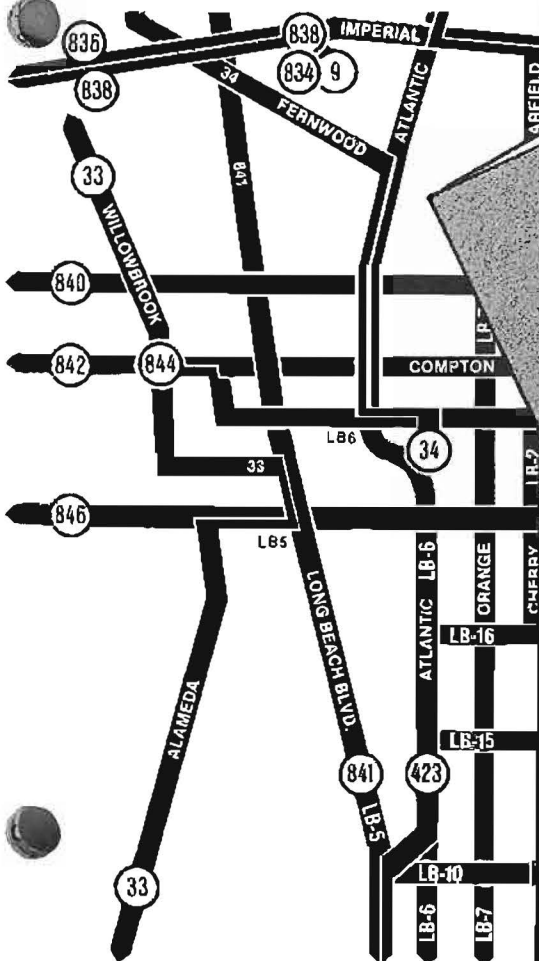
Customer Relations contributed to the program through its handling of telephone inquiries, complaints, and mail requests, as did Community Relations with its presentations to public groups. Employee Relations placed new emphasis on courtesy in its training programs for drivers and other employees who deal with the public.

The success of the program was recorded by the farebox. As noted elsewhere in this

report, passenger revenues increased from \$53,596,000 in Fiscal Year 1975-76 to \$62,937,000 in Fiscal Year 1976-77 despite the 36-day work stoppage.

RTD bus guide

The District is publishing a 24-page book of maps of the entire RTD system. The full-color brochure contains a map of the entire system, as well as detailed sector maps. The guides will be available to the public at a cost of 50 cents per copy and may be obtained at participating pass sales outlets or through the mail from the RTD's Marketing and Communications Department.



Southern California Rapid Transit District Annual Report

1977-1978



President's Letter

To: Members of the Public, Chief Executive Officers and Legislative Bodies of the Southern California Rapid Transit District, Governor of the State of California, Honorable Members of the California State Legislature, and Chief Administrative Officers.

June 30, 1978 found the Southern California Rapid Transit District still in the difficult position of trying to meet increasing ridership with limited resources. The demand for public transportation has pressed the District to the full extent of its ability to respond. In the dense metropolitan area of Los Angeles, the District is now out of capacity. Without expanded sources of funding, more and more people will be left at the bus stop, unable to get to work.

The District is constantly seeking new ways to maintain service through more efficient use of available resources. Currently the District has one of the highest fare box to operating cost ratios in the country and the highest of any major operator in the State.

The District has severely reduced employment and curtailed salaries, perhaps past the point where it is cost effective. Every effort is being made to expand the number of high occupancy vehicles such as articulated buses and double deck buses to increase productivity.

Some facts about the District should be known.

- The District is the third largest transit system in the United States—providing primary service to a population of some seven million people and secondary service to an additional three million people.
- RTD ridership has increased 67% in the past 5 years, and now more than 500,000 persons each weekday are dependent on the system.
- The District has been forced to reduce its annual service mileage over the past few years by 11%—and this in the face of increased passenger demand.
- The bus fleet is the oldest in the nation—averaging more than 12 years of age. Some buses are so old that parts must be made specially for replacements. The fleet suffers nearly 1200 in service breakdowns per week resulting in a huge excess maintenance cost and an inconvenience to passengers that has become intolerable.
- The central (Wilshire) corridor of Los Angeles has a population density

second in the nation, and the buses in that corridor—a most costly and inefficient way to transport very large numbers of people—carry more passengers than the entire BART rail system in the San Francisco Bay Area.

It is apparent that public transportation is now an essential part of Los Angeles life, and the people of Los Angeles need and want a modern, reliable system. We must have the money to replace our old buses, to expand our service and to build new mass transit facilities which are cost effective, including a subway through the high-density central corridor.

Expanded resources must be made available for public transportation if the District is to continue to do its job. The justification is obvious. Our nation is facing a national energy crisis requiring reduction in petroleum use. Major sources of our petroleum are under foreign domination and control making us subject to foreign influence. Our currency is being undermined by the huge balance of payment deficits resulting from foreign oil purchases. Our people are being subjected to terrible inflationary pressures making the cost of private transportation prohibitive for a rapidly growing number of families. The continuing dependence on the automobile causes a polluted atmosphere subjecting everyone to irritation and disease and requiring massive investments in an attempt to keep the air at least breathable.

For all of these reasons—ridership demand, oil consumption, inflation, air pollution—we ask our elected officials in Sacramento and Washington D.C. to expand the resources available to the District. It is good public business to invest public funds in public transportation!!

Respectfully,

Marvin L. Holen

Marvin L. Holen
President
Southern California
Rapid Transit District
Board of Directors
January, 1979



Report of the General Manager

Fiscal Year 1978 was a year of progress despite the funding problems that seem to characterize all U.S. public transit operations.

Our total ridership for the year reached an all-time high, 315 million passenger boardings. Ridership for the month of May was the highest in District history with average weekday passenger boardings of 1.1 million. Annual passenger revenues also reached a new high, \$82,629,000.

We were able to balance our budget through improved productivity and stringent cost control measures that were initiated in late 1976 when it became apparent that our supplementary funding from local sources was in doubt.

Productivity was an important factor in overall RTD performance. We served more patrons with fewer employees. Our work force stood at 6655 at the end of FY 1978, a reduction of nearly 900 employees from our Fiscal Year 1977 peak of 7500.

We regret that funding shortages made it necessary to furlough some employees and to reduce the frequency of service on more than 100 lines. Wherever possible personnel reductions were obtained through normal attrition. Service was reduced only after thorough studies showed that patronage on the affected lines was below economically feasible levels.

Improvement was demonstrated by several performance yardsticks in FY 1978:

- Our operating ratio—that portion of our costs covered by passenger revenues—reached 41 percent.
- Despite fare increases and cutbacks in service, we climbed back to more than 1 million weekday boardings, the most of any public transit system in the western United States.
- Vehicle service hours per employee increased to 1,000 from the 896 recorded in FY 1977.
- Single passenger trips per vehicle service hour increased to 48.12 from 43.49
- Single passenger trips per vehicle service mile increased to 3.41 from 3.08.
- The District was able to achieve these service-related advancements while reducing overall operating costs per passenger from 65 cents in FY 1977, to 63 cents in FY 1978.

Further evidence of RTD operating effectiveness was contained in a report

on Los Angeles County bus operators dated May 15, 1978. The report was prepared for the Los Angeles County Transportation Commission by the transportation engineering firms of ATE Management and Service Company and Simpson and Curtin.

This report compared RTD operations with those of 12 other large U.S. cities, including Philadelphia, Washington, D.C., Boston, Baltimore and Chicago.

The RTD excelled in several operational categories. For instance:

- RTD's total employment per one million passengers is 20 percent better than the peer group average.
- RTD has 32 percent fewer administrative and management staff employees per 1,000 peak-hour vehicles than the peer group average.
- RTD's average operating speed is 13.5 percent better.
- RTD's accident experience is better than that of the peer systems. The District operates 56.3 percent more miles per accident than the peer group average.

The report also showed that the RTD operates an older fleet than any of the peer systems. The District's average fleet age is 43.2 percent higher than the average.

Further supporting the District's demonstrated progress is a report of the Los Angeles City Traffic Engineer that the RTD transports approximately 25 percent of all persons entering the Central Business District with only 1.9 percent of the vehicles entering the area. The positive effects on energy conservation, vehicular traffic flow, and air quality are highly significant.

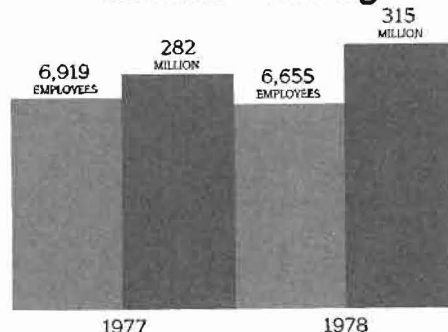
Preliminary staff studies indicate that RTD patrons, by taking the bus instead of traveling by automobile, prevent the release of an estimated 26,000 tons of pollutants into the atmosphere on an annual basis.

The need for additional funding continues to be our most pressing problem. The shortage of funds is particularly critical in our program to procure a total of 1,560 new buses over the next two years. We anticipate federal funds will be available for 80 percent of the purchase price. We have little flexibility in raising the remaining \$33 million in matching funds required. The Board of Directors and District management are exploring ways of raising these funds through bonds or equipment trust certificates.

The acquisition of the new buses is necessitated by the state of our aging fleet. The average age of our fleet is 12 years, including some 450 buses that are more than 20 years old. Our goal is to have no buses over 12 years of age by 1980. Old buses increase maintenance costs, break down more often, are less attractive and less comfortable for passengers, and generally cost more per mile to operate. Productivity factors alone would appear to justify our investment in the new buses.

One of the factors that has delayed our efforts to re-equip our fleet has been our policy to require that new buses be fully accessible to handicapped and elderly persons. We have experienced severe difficulties in procuring satisfactory accessible buses. The RTD Board of Directors initiated this policy of accessible buses long before it later was mandated by the U.S. Department of Transportation. The policy of requiring accessible buses is now under review on the federal level because it appears transit operators will not be able to obtain accessible buses within the time frame specified by the Department of Transportation.

Ratio of Employees to Annual Boardings



Credit for our progress is due our employees for their dedicated efforts on behalf of improved service to the public. FY 1979 will be a year for negotiating new labor agreements for most of our employees. RTD management will earnestly seek to enlist the participation of union leadership in productive negotiations leading to new contracts without the disruptions and hardships imposed on the public by a work stoppage. Respectfully,

JACK R. GILSTRAP
General Manager

Operating Highlights

RTD Board Votes to Modernize Bus Fleet

In one of its most significant actions in recent years, the RTD Board of Directors has voted to modernize the District's aging fleet of buses by authorizing the procurement of a total of 1,560 buses.

This action approves the purchase of 1,030 new buses in addition to 530 that already were on order. All are targeted for being in service in calendar year 1980 as part of a total bus fleet of 2,663.

The new buses will reduce the average age of the RTD fleet from 12 to 5 years. All buses older than 12 years will either be retired from service or placed in the contingency fleet for use in an emergency energy shortage.

New equipment to be procured includes: 1,200 standard buses (40-foot length); 170 intermediate buses (35-foot length); 80 articulated buses (60-foot length); 60 double-deck buses; 50 interurban buses (with space underneath the passenger area for luggage).

The cost of the additional 1,030 buses has been estimated at \$163 million. Federal funds are expected to provide 80 percent of this figure, with \$33 million to be raised locally. The District is exploring the possibilities of issuing equipment trust certificates to raise a major portion of the local matching funds.

Productivity

The Productivity and Efficiency Program (PEP), initiated by the RTD in the Fall of 1976 has been continued as an integral part of District operations.

Six principal elements have contributed to the effectiveness of PEP. These are:

- Continuing capital improvements.
- Introduction of new work rules as the result of the 1976 labor contract.
- Improved safety and accident prevention procedures.
- Reduction of service calls for stalled buses through improved maintenance procedures.
- Cost improvement through reduction of personnel and service.

Productivity actions have resulted in cost savings of approximately \$20,000,000 since September, 1976. The improvement is demonstrated by the

fact that the District recorded 315,000,000 passenger boardings in FY 1978—an all-time high—with 845 fewer employees and 145 fewer peak-hour buses than FY 1977.

Because of PEP and vigorous marketing programs, ridership on an average weekday basis equalled that of FY 1977, despite the initial effect of a five cent fare increase introduced at the beginning of the fiscal year. Farebox revenues in FY 1978 were \$82,629,000 compared to \$62,937,000 for the year before.

Importantly, the percentage of operating costs paid out of farebox revenues climbed to 41 percent, compared to 34 percent for FY 1977.

A major element of the District's Productivity and Efficiency Program is its constant review of patronage of new services and low performance lines. Bus services are evaluated on the following factors:

- At least 20 passengers per bus hour on an all-day basis.
- At least 2.5 passengers per bus mile in the peak period.
- At least 1.5 passengers per bus mile on an all-day basis.
- At least 250 passenger-miles per trip on Freeway Express Service.

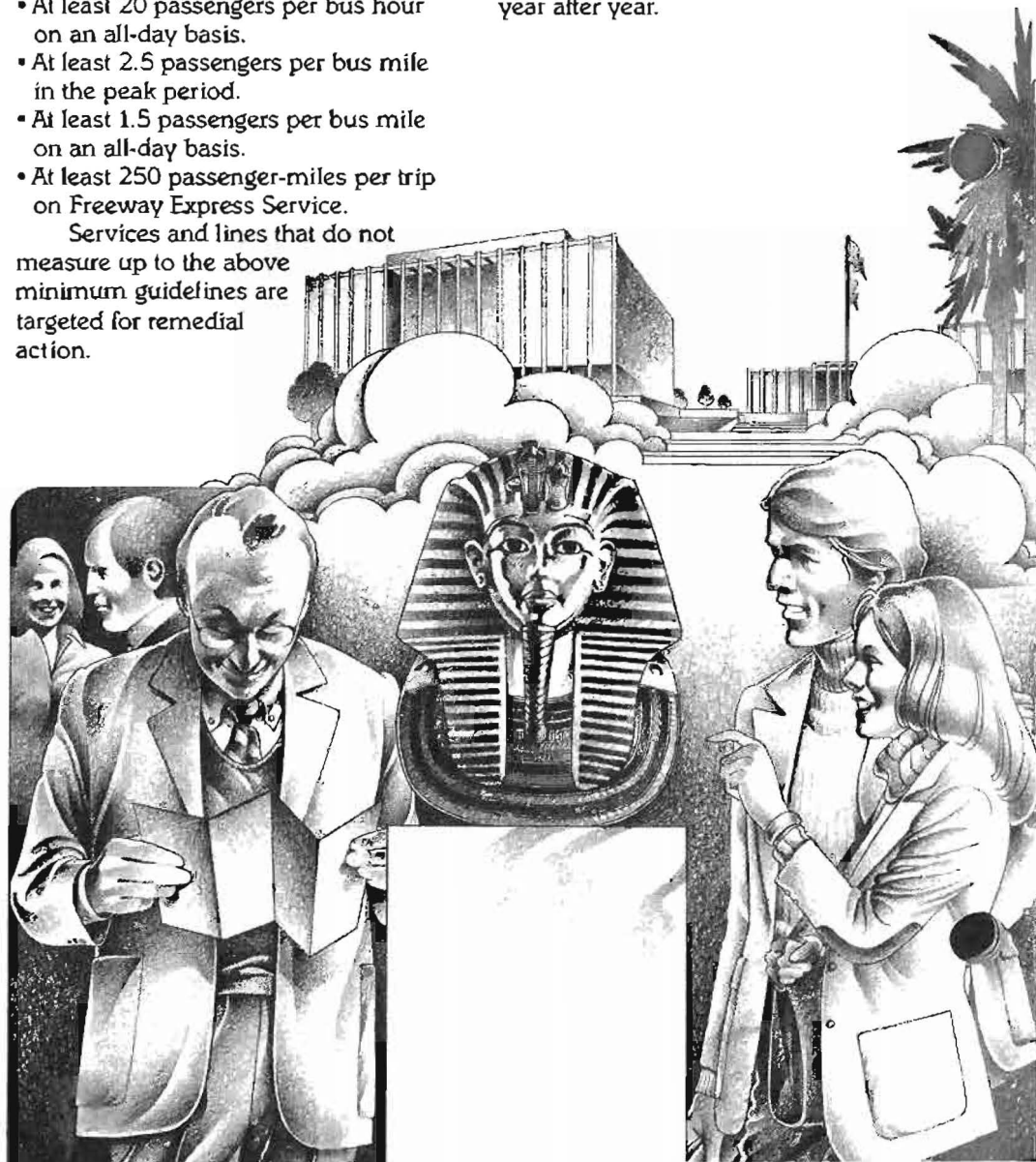
Services and lines that do not measure up to the above minimum guidelines are targeted for remedial action.

Service has been reduced on more than 100 lines as a result of these reviews. When feasible, additional buses have been assigned to lines of especially heavy patronage. Both actions contribute to productivity.

The first of 30 new 60-foot articulated buses, capable of carrying 125 passengers, including standees, will be going into service in FY 1979. They will be assigned to high patronage areas, such as Wilshire Blvd.

The District plans to procure 60 double-deck buses, capable of carrying 84 passengers. These also will contribute to future productivity. Two of the double-deckers have been deployed on the El Monte Busway for more than a year in a successful demonstration of their capabilities.

Importantly, many of the cost savings achieved through PEP are compounded from one year to the next, and once implemented, provide benefits year after year.



Facilities Improvement Program

Improvement of bus facilities, an important element of the District's Productivity and Efficiency Program, advanced in Fiscal Year 1978, as provided in the ongoing Capital Improvement Program.

Division 7 in West Hollywood, a \$5.4 million project, opened for service in November, 1977. This facility provides operational and maintenance support for 250 buses in a structure that is vastly more efficient than its obsolete predecessor.

Work was begun in late 1977 on the second stage of the reconstruction of Division 5 in South Central Los Angeles. The second phase consists of construction of a new transportation building, an automatic bus washer, including a water-saving recycling unit, and a bus fueling and vacuuming station. These structures were designed and engineered by the District staff.

This project will be completed in the Fall of 1978.

Approval was received for funding

of land acquisition and design of two new bus operating divisions in the San Fernando Valley. Completion of these facilities is scheduled for Fiscal Year 1979-80.

The District has assumed a leadership role in encouraging Minority Business Enterprises to participate in the Capital Improvement Program. The District is committed to a program to ensure that small businesses owned and operated by minority personnel have maximum opportunities to take part in each of its procurement activities.

Special Services Attract New Riders

One of the reasons for the RTD's growing ridership is the variety and convenience of the District's many services.

In addition to its Regular and Freeway Express services, which carry the bulk of its patrons in a grid pattern centered in Los Angeles County and extending into adjacent counties, the RTD provides a wide range of Special Services.

Special Services are concerned primarily with providing express-type

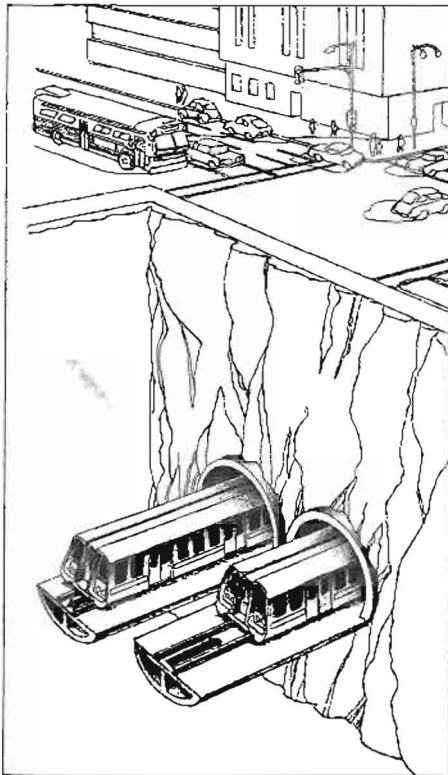
transportation, often over relatively long distances for persons who want to avoid the high cost of driving a car and for those anxious to avoid the traffic congestion and tension involved in reaching a single destination or public event.

These Special Services include:

- Commuter Cruiser Subscription buses that travel from eight suburban locations to the Westside Financial District of downtown Los Angeles. Fares are payable once a month on a guaranteed-seat basis.
- Park 'n' Ride freeway express service from 13 suburban locations to downtown Los Angeles.
- Airport Express buses to the Los Angeles International Airport from downtown Los Angeles, Beverly Hills and Redlands.
- Racetrack Service in season to Santa Anita, Hollywood Park and Los Alamitos.
- Disneyland/Knott's Berry Farm on a year-round basis.
- Hollywood Bowl Flyers for devotees of the Symphonies Under the Stars. This is one of the District's most successful Special Services. More and more Bowl fans are finding the quickest way from their homes to the Bowl and return is via the RTD. Patronage in the summer of 1978 was far ahead of ridership in the previous season.
- New Year's Day Special Service provides direct transportation to the Rose Parade, Victory Park, where the colorful parade floats are placed on display, and the Rose Bowl Game.
- Los Angeles County Fair in September.
- BEEP — An acronym for Bus Express Employee Program — is a demonstration project for persons employed in the El Segundo/LAX area. An 18-month operational test of this service began in June, 1978. It is subsidized by the Urban Mass Transportation Administration (UMTA).
- Surf & Sun service provides a convenient way to travel to the beaches during the summer months. An unusual feature is that passengers are permitted to take their surfboards aboard buses on selected routes.



New Programs



• In addition, the District operates Minibus systems in downtown Los Angeles and in Westwood Village as part of its Special Services program. The downtown Minibus schedule provides quick, dependable transportation between Chinatown and 12th Street. More than 1,600,000 passengers rode the downtown Minibus system in FY 1978, a 12 percent increase over the previous year. The Westwood Minibus, operated on weekends, proves unusually popular during major civic events in that area, such as the UCLA Mardi Gras and arts and crafts shows. The District also operates a special shuttle service at LAX utilizing Minibuses. The downtown Minibus system is subsidized jointly by the City of Los Angeles, and the Community Redevelopment Agency. The Westwood Village system is operated under an agreement with the Western Los Angeles Regional Chamber of Commerce and is subsidized by the City of Los Angeles, which uses revenue from parking meters to pay its share of subsidies for both systems.

Transit Demand in the Regional Core

Los Angeles is witnessing a virtual explosion of transportation demand in its Regional Core. In the span of a few years the pace of public transit on Wilshire Boulevard and its adjacent traffic arteries has quickened from that of typical urban bus service to the hurry and hustle of a metropolitan surface transit system that operates buses at three-minute intervals with standing room often at a premium.

The Regional Core is the transit planners' designation for that part of the metropolitan area which has the heaviest concentration of population and jobs. It is the 55-square-mile right triangle which has the Central Business District, the Wilshire-Fairfax area, and North Hollywood for its corners and which contains the Miracle Mile, Hollywood, and Universal City. Today, the RTD is recording more than 400,000 weekday trips into, within, and from these 55 square miles. Thus, this area generates approximately 50 percent of the total ridership for the District's 2,280-square-mile service area. Our estimates indicate that if a rail rapid transit line is provided within this Regional Core, transit ridership will increase by 50 percent by 1990 because of the attraction of the faster, more comfortable, and more reliable service.

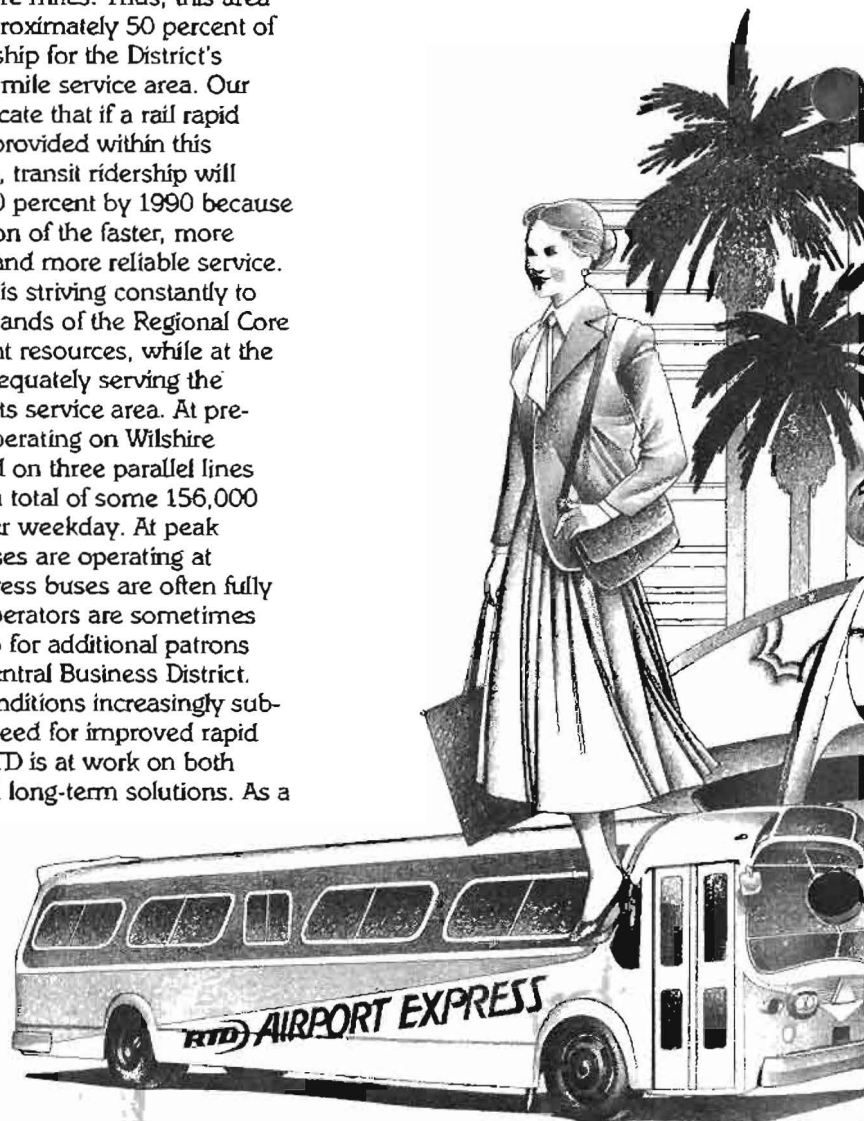
The RTD is striving constantly to meet the demands of the Regional Core with its present resources, while at the same time adequately serving the remainder of its service area. At present, buses operating on Wilshire Boulevard and on three parallel lines nearby carry a total of some 156,000 passengers per weekday. At peak hours, the buses are operating at capacity. Express buses are often fully loaded and operators are sometimes unable to stop for additional patrons west of the Central Business District.

These conditions increasingly substantiate the need for improved rapid transit. The RTD is at work on both near-term and long-term solutions. As a

short-term solution, the District will place additional, higher-capacity buses in service along the Wilshire corridor. As a long-term solution, the RTD has prepared, with the assistance of involved public agencies and consultants, an analysis of 11 alternatives for rapid transit. Five of these alternatives are rail/bus alternatives, five are all-bus alternatives, and one is a "do-nothing" or null alternative.

The facts resulting from this careful evaluation overwhelmingly support a rail/bus solution—both from service and economic standpoints. Most of the existing buses now serving the area would be re-routed to serve as feeders to the rapid transit stations.

Conservative estimates made in cooperation with the technical representatives of the other involved agencies indicate that by 1990 there would be as many as 260,000 riders per day on a Central Business District-Wilshire-Hollywood-North Hollywood line. At peak hours the ridership would be over



15,000 passengers an hour in one direction. Predictions are that peak-hour loads would gradually increase to 30,000 as extensions are made.

Such volumes of passengers cannot be handled adequately or economically with a surface street bus system, and elevated busways through this area with their attendant environmental disadvantages appear to be out of the question.

Our engineers have found that because of the construction and right-of-way problems inherent with an aerial busway, and considering the time-saving and cost-reducing breakthroughs in tunneling technology, the capital costs of a rail subway through the Regional Core would be about the same as those for an aerial busway. However, the operating costs for an all-bus system would be far greater than for rail. For example, with only 165 passengers per car, one six-car train, with only one operator, can transport 1,000 passengers. To carry that number in articulated buses, at 100 passengers per bus, would require 10 buses and 10 operators.

As Fiscal Year 1978 ended, RTD was scheduled to complete its draft analyses of rapid transit alternatives and its environmental impact statement for publication in the Fall. Following publication, public hearings will be held preparatory to selection of a specific project.

The RTD has prepared the rapid transit alternatives analyses and the attendant Environmental Impact Statement as a participant in the four-element Regional Transit Development Program sponsored by the federal government's Urban Mass Transportation Administration. Other participants are the California Department of Transportation Commission and the City of Los Angeles.

Paralleling its work on the rapid transit program, RTD also is responsible for the Regional Transportation Systems Management element (TSM) which seeks to improve the productivity, efficiency and quality of service provided by existing equipment and facilities.

TSM involves relatively small, cost-effective capital investments to improve transportation in the near future, as well as on a long-term basis. Some examples of TSM improvements are:

- Proposed construction of transportation terminals in areas such as West Los Angeles and North Hollywood.
- Utilization of existing Caltrans property for park-and-pool lots that would be served by express buses.
- By-pass lanes for buses at metered freeway on-ramps.

The program, among other goals, seeks to reduce travel time for bus travelers and to reduce energy consumption through better utilization of transit vehicles and facilities. This is an ongoing program that will provide the riding public with tangible benefits. For District patrons, TSM is important because it will also make possible better service at less cost.

Pass Sales Expanded

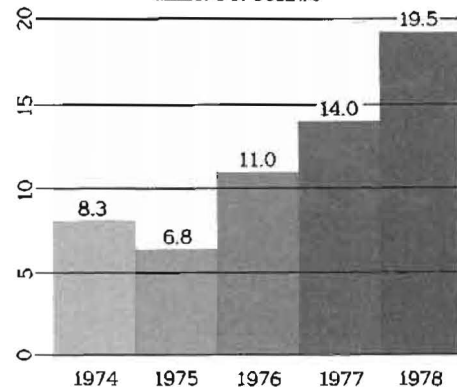
As a result of special promotional programs, revenues from RTD Monthly Pass sales were increased by 30 percent during this fiscal period. Pass sales for FY 1978 totaled \$19.5 million, compared with \$14 million in FY 1977. A new monthly high of \$1.76 million in Pass sales was recorded in May, the same month in which the District set a new record for total ridership.

The District now has 240 Pass distribution outlets, only five of which are operated by RTD personnel. The majority of Pass sales are made through the customer service offices of supermarkets, retail stores, banks and savings & loan institutions, ticket and travel agencies, and colleges.

Adding to sales was the introduction of the Summer Youth Pass, which provided three months of system-wide

Pass Sales

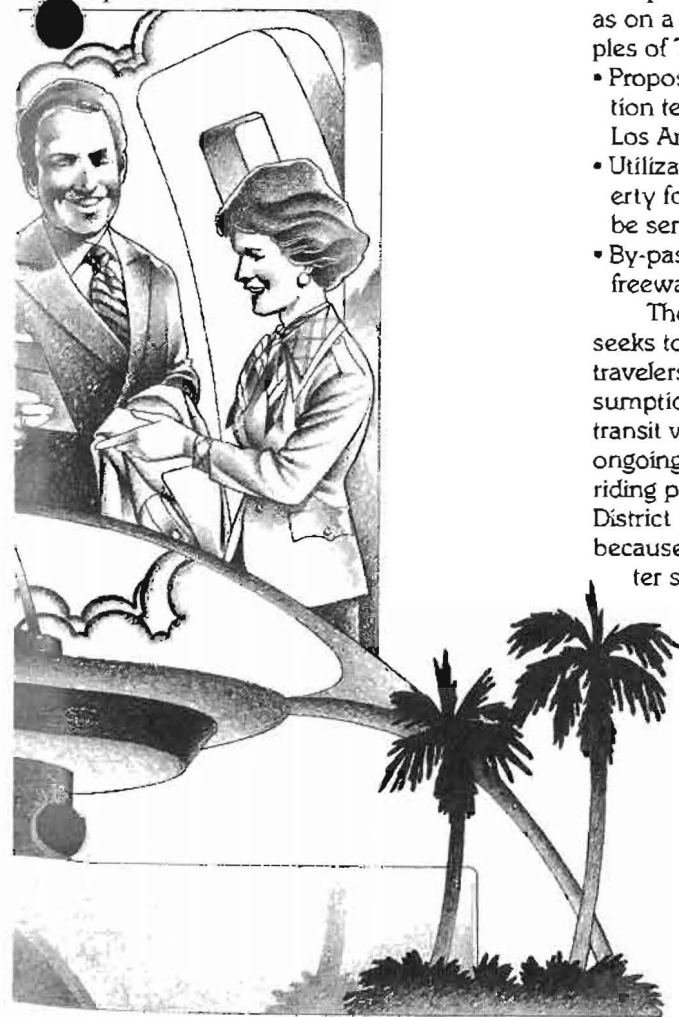
MILLIONS OF DOLLARS



travel for \$20 to those 18 years old and younger. More than 14,000 youths found it a convenient and economical way to travel about the Los Angeles area during the summer vacation.

Other Passes issued by the District include the Regular Pass; the Freeway Express Pass, which is priced according to distance traveled; the Senior Citizen and Handicapped Persons' Pass; and the Student Pass.

The Board of Directors authorized a new Tourist Pass which went on sale July 1, 1978. This Pass is sold in 3, 5, 7, 10, and 15-day versions, and provides system-wide service for \$1 per day. Tourist Passes are sold at RTD Pass offices and at the ground transportation ticket booths at Los Angeles International Airport.





**SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT
ANNUAL REPORT 1978-1979**

PRESIDENT'S LETTER

To: Members of the Public, Chief Executive Officers and Legislative Bodies of the Southern California Rapid Transit District, Governor of the State of California, Honorable Members of the California State Legislature, and Chief Administrative Officers.

The fiscal year ended June 30, 1979, saw substantial progress by the Southern California Rapid Transit District but at the same time reflected severe symptoms of a growing public transportation crisis in Los Angeles.

The major achievement was federal approval of the special Bus Replacement Program which will provide the District with 1,200 new buses and turn its fleet from the oldest in America to one of the youngest. This successful effort involved a special federal grant of \$153,000,000 with the local share to be raised through the innovative use of equipment trust certificates.

The year also saw a major advance

towards true rapid transit for Los Angeles with completion of the Alternatives Analysis Report for the Wilshire Corridor-San Fernando Valley subway, selection of the preferred route and the scheduling of extensive public hearings on the project which should lead to the start of preliminary engineering work by mid-1980.

Additionally, the District moved closer to completion of plans for installation of brand new bus stop signs which will provide useful route, frequency and other information at over 30,000 bus stops. The District also commenced work on a new color design and logo which will bring a far more exciting and brighter look to public transportation on the streets of Los Angeles.

Unfortunately, the past year has not seen a solution, or even the beginning of a solution, to the basic problem of insufficient resources to support expanded service. Ridership is growing at an ever-

increasing pace. The result is more and more people left standing at the bus stop, trying to get to work, watching jammed buses pass them by. The District is out of capacity. Public transportation services that are needed, but unmet, may not have the dramatic impact of an overnight stoppage such as a strike, but are, nevertheless, a creeping paralysis as demand accelerates beyond the District's ability to respond. For this to be happening in the Los Angeles of 1979 is simply insane.

The District is a hybrid organization, being at the same time a very large, complex business and a public agency with social responsibilities. It has the accumulated expertise from daily operations allowing it to weave together the necessary short and long-term planning for a major metropolitan area. The District requires a dedicated policy board, and members of that board must have the time to do the homework and engage in the deliberations necessary to arrive at informed and considered decisions. It has regional responsibility and this provides an opportunity to utilize available resources where most needed and to maintain an integrated route system, consistent in fare structure and general policies. Conversely, the District must provide a careful balance by being sensitive and responsive to local needs and special circumstances.

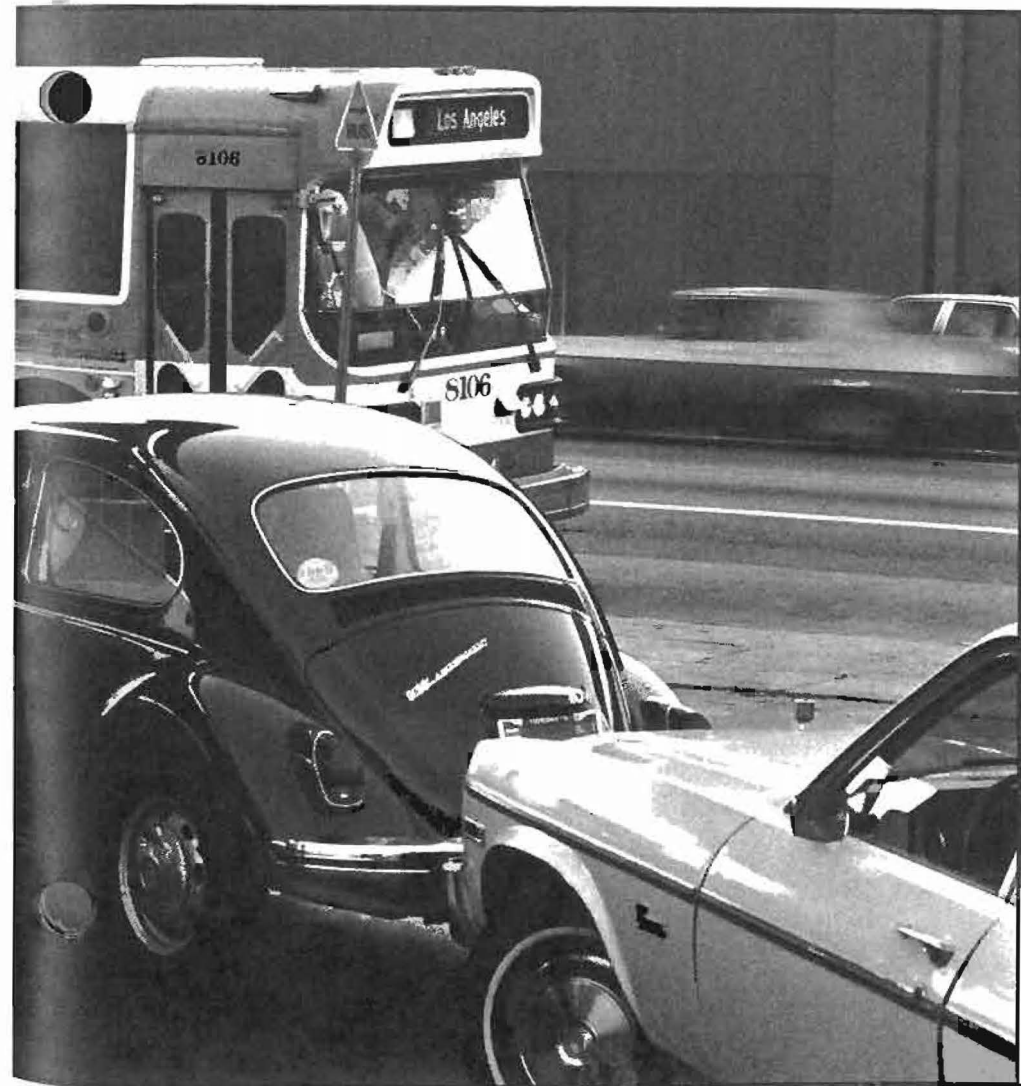
In both major and minor ways, the District can look to solid accomplishments during the past few years in providing the basis for expanded, responsive transit for the decade of the 80's. But these achievements can only be marginal in value without additional public investment. The challenge for the 80's lies not solely with the District but with the political leadership of the cities, the county and the state, all in a partnership with the District in finding, providing and efficiently using additional resources for public transportation.

Respectfully,

Marvin L. Holen

Marvin L. Holen, President
Southern California
Rapid Transit District
Board of Directors

January, 1980



REPORT OF GENERAL MANAGER

In Fiscal Year 1979, the District set a new record with 345 million passenger boardings.

The year clearly was one of our most successful when measured by increased ridership, increased passenger revenues, and increased productivity. Based on industry performance standards, the results placed the District in the upper ranks of those transit agencies that deliver a high level of service for every taxpayer dollar invested in public transit.

Our ratio of fares to operating costs rose to 43 percent from the 41 percent posted in FY 1978, and our boardings per revenue service hour rose to 53.79, compared to 48.15 in the previous fiscal year. Our ridership was up more than nine percent over the previous year, and we achieved this increase in a cost-effective manner with fewer revenue vehicle hours and fewer revenue miles than in the previous year.

Exceptionally high ridership levels were recorded during the energy episode of April and May. We were literally overwhelmed by new riders as lines of cars formed at the gasoline stations. On May 14, we recorded an all-time high of 1,470,000 boardings, approximately 300,000 more passengers than had been boarding our buses in the days immediately before the energy shortage began.

UMTA's commitment of funds for the purchase of 1,200 new buses was an event of utmost importance. The age and deteriorating condition of our fleet will remain a major problem until the new buses, scheduled for delivery in late 1980 and early 1981, are deployed in service. Our Operations and Bus Maintenance people are due a great deal of credit for maintaining a high level of service with over 99 percent of our scheduled runs on time.

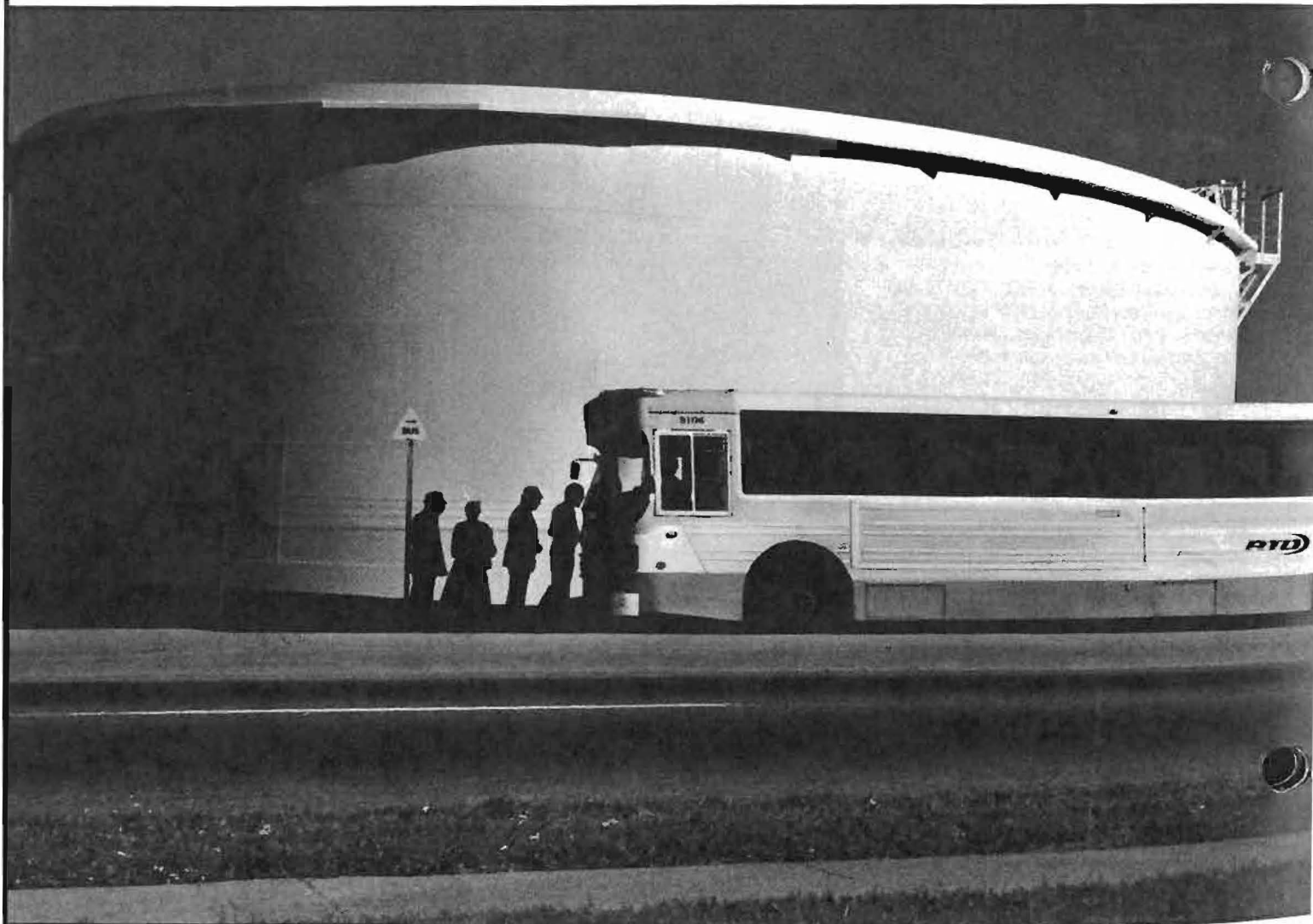
All signs point to greater demand for

transit service in the future. The constantly rising price of gasoline and the economies offered by bus transportation appear to exert a push-pull effect, causing more and more of our service area citizens to switch from the automobile to the bus.

The pressures of rising demand have spotlighted the need for an increased flow of tax-supported funding to public transportation.

Transit Funding

Transit is particularly vulnerable to the pressures of double digit inflation and the constantly rising cost of petroleum products. On the one hand all the individual elements of operating expense—fuel, wages, insurance—continue to rise, and simultaneously this same inflationary pressure is forcing more and more people to turn from the automobile to public transit, creating a further spiraling



escalation of our operating costs.

There is a serious misconception that large increases in ridership bring a mysterious "profitability" to public transit. The bottom line is that virtually every time a passenger boards a bus, particularly during peak hours, the District's subsidy need increases. More passengers mean the need for more tax-source funding. Under normal operating conditions, it is probable that the operating cost per passenger would drop, but not so low that no subsidy would be required for each passenger. With double-digit inflation, the cost per passenger actually rises, despite increased patronage.

In FY 1979 our required subsidy per boarding passenger increased from 37 cents to 39 cents. The increase occurred despite the fact our average daily boardings increased by 100,000, our ratio of passenger revenue to operating costs increased and our productivity increased

in a broad range of categories. Our operating costs increased sharply not only because of the inflation-induced expansion of all operating costs, but also because diesel fuel nearly doubled in price and we experienced very large increases in insurance and workers' compensation expenses.

Transit thus must resolve the quandary of balancing a constantly expanding budget and at the same time prepare for a predictable swing to public transportation in the decade ahead.

In order to ward off the threat of deficit operation, we are constantly being forced to seek supplementary grants because our allotted funds stretch too thin under the stress of inflation. Yet, based on this year's operating expense of \$230,995,000, we project that our bus system alone will require an operating budget of \$500,000,000 in five years.

This problem of transit funding is not

the RTD's alone. It is a matter of concern to transit agencies throughout California and the nation. The District is seeking a long range resolution of its funding problems through the Los Angeles County Transportation Committee.

Planned Progress

Despite our funding difficulties, the District is moving ahead on numerous fronts.

The proposal for a rapid transit starter line is advancing toward the preliminary engineering stage.

Our five year facilities modernization program is on schedule.

Hundreds of new buses are assured for replacement of our old equipment.

We are at the forefront in applying computer technology to transit operations.

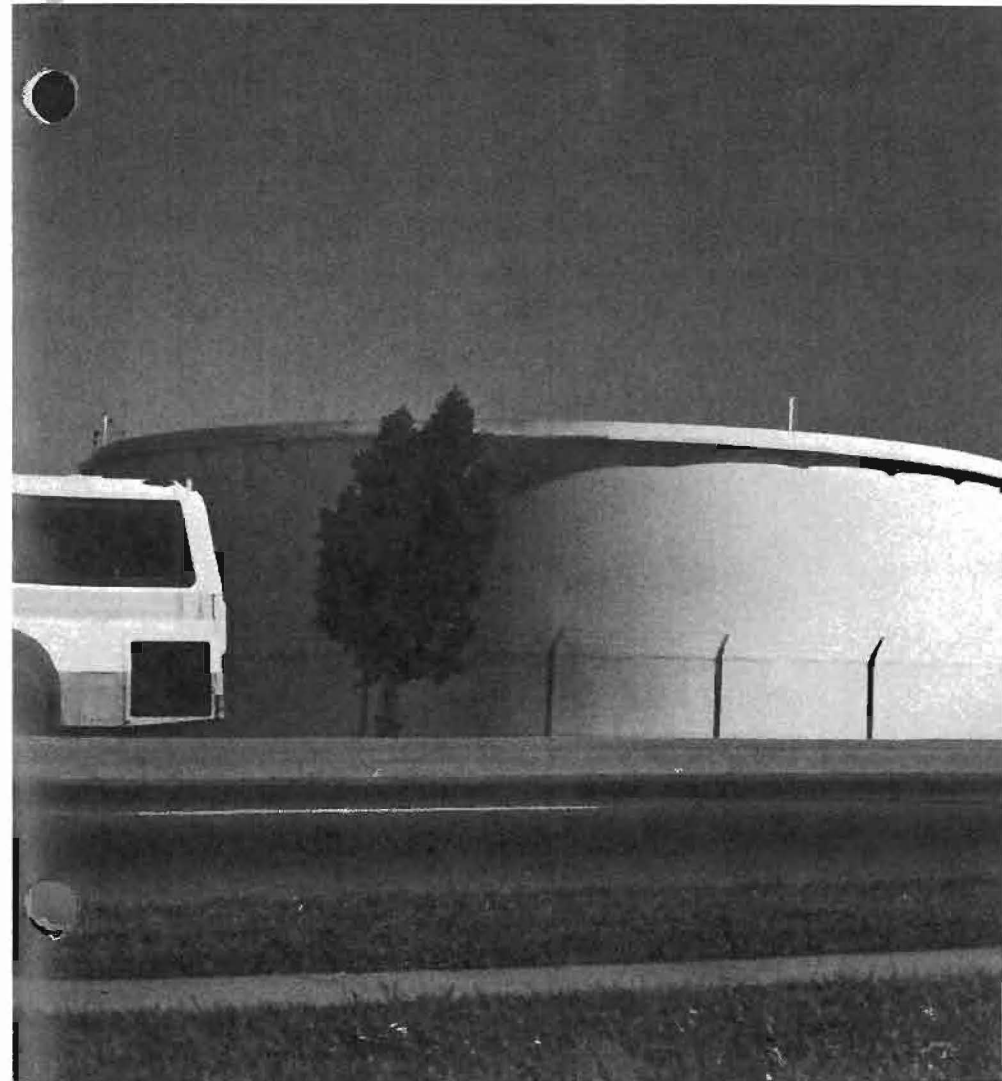
Opportunities for improved productivity have been enhanced by new labor contracts negotiated following a work stoppage that occurred in August and September after the fiscal year closed. In these new contracts, the District provided reasonable pay adjustments in return for important revisions in work rules and job descriptions inherited from predecessor railroad operations.

As a result, our employees are paid commensurate with their responsibilities, and the District is now able to employ part-time bus operators, restructure the clerical and janitorial classifications, and contract with outside vendors for work we were previously required to do in our own maintenance shops. All of these changes will make the District a more efficient, responsive organization. Therefore, I can realistically report to you that the RTD is advancing toward its goal of operating the most effective and efficient system in the nation.

Respectfully,



JACK R. GILSTRAP
General Manager



OPERATING HIGHLIGHTS

UMTA Approves Major Bus Purchase Program

Important commitments by the Urban Mass Transportation Administration (UMTA) in April, 1979, have enabled the RTD to embark upon one of the largest bus procurement programs ever undertaken by a single U.S. transit agency.

In response to a concerted effort supported by the Los Angeles County Transportation Commission, the California Department of Transportation, and the California congressional delegation, UMTA authorized the District to purchase up to 1,200 new buses for which the federal agency will provide 80 percent of the funding with the remaining 20 percent provided by the District.

The major portion of the bus purchases will consist of 940 standard-sized (40-foot) Advance Design buses. The District's share for the purchase of these buses, amounting to \$29,245,000 will be pro-

vided through an innovative financing plan employing equipment trust certificates. The federal share for the 940 buses will amount to approximately \$117,456,000.

Because of its pressing need for new equipment and the continuing escalation of costs attributable to inflation, the District is vigorously seeking to expedite the procurement process. Inflation erodes allocated funds at the rate of about one percent per month.

A threat of added delay in the procurement process has arisen as the result of California Air Resources Board engine emissions standards, which are more stringent than the federal standards. Bus manufacturers have not been able to equip their buses with diesel engines that comply with the California standards, although they do meet the federal requirements. The District is seeking waivers from the state. If these are not obtained, it will be necessary for the buses to be delivered with derated

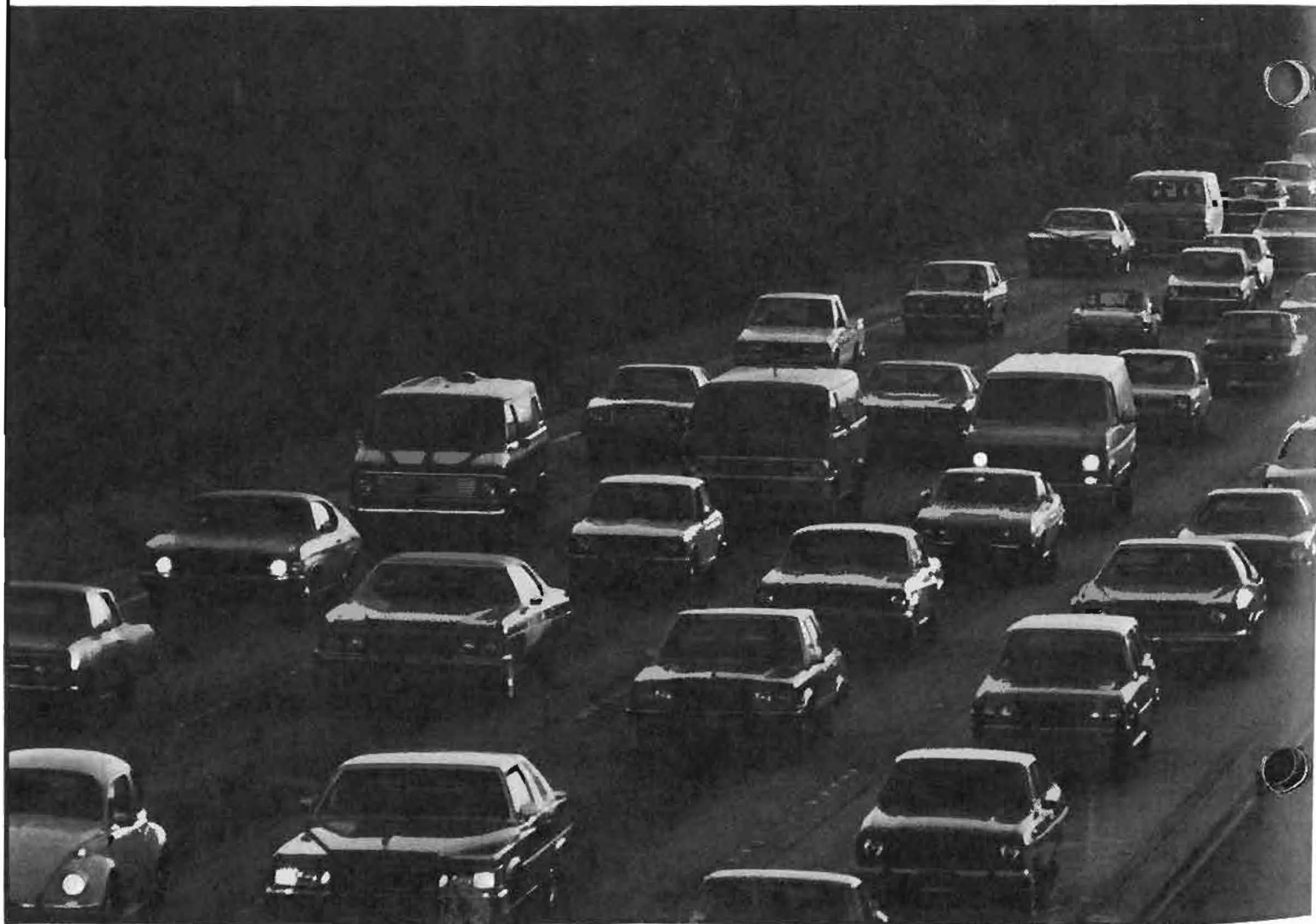
engines, which will impair their performance.

The first of the new standard-sized buses are expected to be delivered to the District in late 1980.

In addition, the new federal commitment will enable the District to acquire a mix of intermediate-sized (31 seats), articulated or bend-in-the-middle (65 seats), double-decked (84 seats), and interurban (47 seats) buses for service assignments where they will be more cost-effective than standard-sized buses.

The District's five-year goal provides for replacing approximately 80 percent of its aging fleet by 1985. This modernization program would provide the District with a fleet of buses with an average age of five years.

It is the District's plan to retain as a contingency fleet some of the buses that will be replaced. This contingency fleet will be held in reserve to be placed in service during times of extraordinary demand.



Progress on Regional Core Rapid Transit

The District moved closer in FY 1979 to a decision on the form and extent of a rapid transit system for the most densely-populated areas of Los Angeles with the publication of its Draft Alternative Analysis/Environmental Impact Statement/Environmental Impact Report on Transit System Improvements.

This document, representing two years of effort, was produced by the District's Rapid Transit Department with the assistance of the City of Los Angeles Planning and Transportation Departments and Engineering Bureau and of several professional consultants.

The analysis and report examines 11 transit improvement alternatives for the regional core, a 55-square-mile area which has the Central Business District, the Wilshire-Fairfax area and North Hollywood for its corners and includes the

Miracle Mile, Hollywood and Universal City. This area generates approximately 50 percent of the total RTD ridership. Five proposals using rail rapid transit with feeder bus lines and six all-bus solutions were presented in detail.

The Draft Report indicates that the greatest benefits in reduction of congestion, increases in transportation system capacity, reduction of air pollution, cost-effectiveness, and stimulus to the local economy would be provided by a rail rapid transit subway serving the downtown-Los Angeles-Wilshire-Hollywood-North Hollywood corridor.

Following review and concurrence of the Draft Report findings by the RTD Board and at the local, state, and federal levels, the RTD will apply for a grant to fund preliminary engineering on the preferred alternative.

This phase will provide a refined system configuration, a final environmental im-

pact assessment, and a final determination of project feasibility.

UMTA concurrence in the preliminary engineering results will lead to approval of a grant for a final design and construction of Los Angeles' first subway starter line.

Energy and the RTD

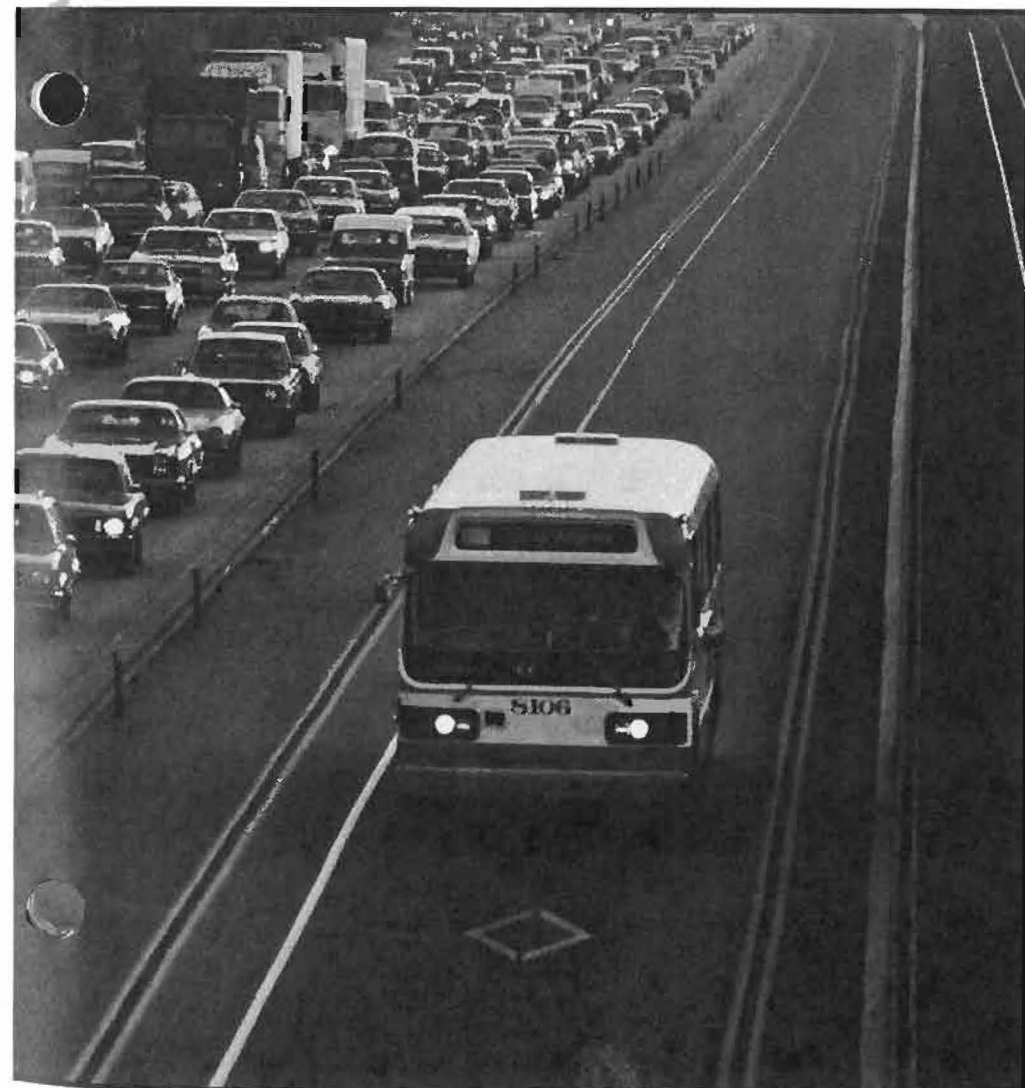
International events that curtailed U.S. petroleum supplies had a profound effect on operations of the RTD in FY 1979.

As lines began to form at gasoline stations in April, new riders boarded RTD buses by the thousands. The District immediately implemented its Energy Contingency Plan, first developed in 1974 as a result of the 1973-74 oil embargo.

The RTD was able to serve as many as 300,000 additional passenger boardings a day as riders who normally drove their automobiles to and from work found the bus a welcome alternative.

Based on estimates that Los Angeles County's seven million residents make 24,000,000 trips each day, the RTD was providing about 3.3 percent of the total trips and 5.6 percent of the work trips each day prior to the April-May energy episode. During the energy shortage, the District provided 4.3 percent of all trips and 7.3 percent of work trips. A record 1,470,000 passenger boardings were counted on the busiest day.

In addition to proving the RTD is a valuable regional mobility resource, the energy episode dramatized to many auto-dependent citizens the importance of the RTD as a source for energy conservation. As more drivers leave their cars in the garage and ride the bus during an energy crisis, more gasoline becomes available for those who must use their cars for necessary trips. It is estimated that RTD operations reduce gasoline consumption in Los Angeles County by as much as 100 million gallons per year.



Productivity

The District's Productivity and Efficiency Program continues to register improvement. The year's operating results showed improvements in several categories.

The RTD served more passengers in FY 1979, as compared with FY 1978, while at the same time expending fewer vehicle revenue service hours and revenue service miles.

Average weekday ridership climbed to 1,140,000 boardings per day, 100,000 boardings above the FY 1978 average. A five-cent fare increase which became effective July 1, 1978, had little apparent dampening effect on ridership. Passenger revenues for FY 1979 totalled \$98,000,000, compared with \$82,629,000 for the previous 12-month period.

Significant improvements were achieved in the "employees per million boarding" and "boardings per employee" categories. Despite inflationary pressures, the sharp

rise in the cost of diesel fuel, and increased unit operating costs, the ratio of passenger revenues to operating increased from 41 percent to 43 percent.

	FY 1979	FY 1978
Passenger boardings	344,700,000	315,300,000
Revenue vehicle hours	6,408,000	6,553,000
Revenue vehicle miles	90,534,000	92,579,000
Employees (average)	6,725	6,551
Employees per million boarding	19.5	20.77
Boardings per employee	51,256	48,730
Operating cost per vehicle service hour	\$36.19	\$30.47
Operating cost per passenger boarding	67.3¢	63.3¢
Operating Ratio	43%	41%
Boardings Per Revenue Service Hour	53.79	48.15
Boardings Per Revenue Service Mile	3.81	3.41
Revenue Vehicle Service Hours Per Employee	953	1001

Pass Sales Continue to Grow

RTD Pass Sales continued their steady growth in FY 1979 for the fifth consecutive year. Pass sales exceeded \$23,000,000 in FY 1979, a 17.9 percent increase over the \$19,500,000 produced by pass sales in the previous year.

Pass sales exceeded the \$2,000,000 a month mark for the first time in March, 1979, and continued at that level for the remainder of the period under report.

Travel editors describe RTD passes as "one of America's great travel bargains." Monthly rates for the basic pass providing unlimited county-wide local service were priced at the equivalent of approximately 44 cash rate trips and provided obvious savings for most regular users. Prices for express service are based on the basic fare plus an additional charge on the number of freeway miles involved. Passes for students, senior citizens, and handicapped persons are discounted.



Another pre-paid fare service of the RTD is the Airport Express Service, providing scheduled passenger transportation between Los Angeles International Airport and major hotels in the area. The RTD initiated Airport Express Service on an interim basis, in December, 1976, at the invitation of the Los Angeles City Council when the authorized private carrier ceased to operate because of financial problems. Under RTD operation, passenger revenues for FY 1979 amounted to \$2,700,000, a 38 percent increase over FY 1978.

As FY 1979 drew to a close there were indications that a new private carrier would soon be authorized by the Public Utilities Commission to resume the airport-to-hotel service as a private sector operation. From the beginning, it had been assumed that the RTD would discontinue its Airport Express Service as soon as a qualified private carrier was designated by the Public Utilities Commission.

Facilities Improvements Move Forward

The District continued to move ahead in FY 1979 with its long-range facilities improvement program for modernizing existing facilities at its operational and maintenance divisions and implementing new installations.

The second phase of improvements at Division 5, South Los Angeles, was completed at an outlay of \$1,800,000. The new facilities replaced a 50-year-old structure lacking earthquake safeguards.

Construction was started on several other projects including the \$2,300,000 second phase of reconstruction at Division 3, north of the Central Business District.

Preliminary design engineering was completed and the land acquisition process was begun for two new bus operating facilities in the San Fernando Valley, each costing about \$10,000,000 and occupying sites of about 18 acres.

Planning and environmental documentation for a proposed new Central Maintenance/Administration Headquarters Facility were accomplished. The project, estimated at \$89,000,000, will enable the District to move all central maintenance from the existing antiquated building in South Central Los Angeles and its headquarters offices to a centrally-located facility designed specifically for transit purposes.

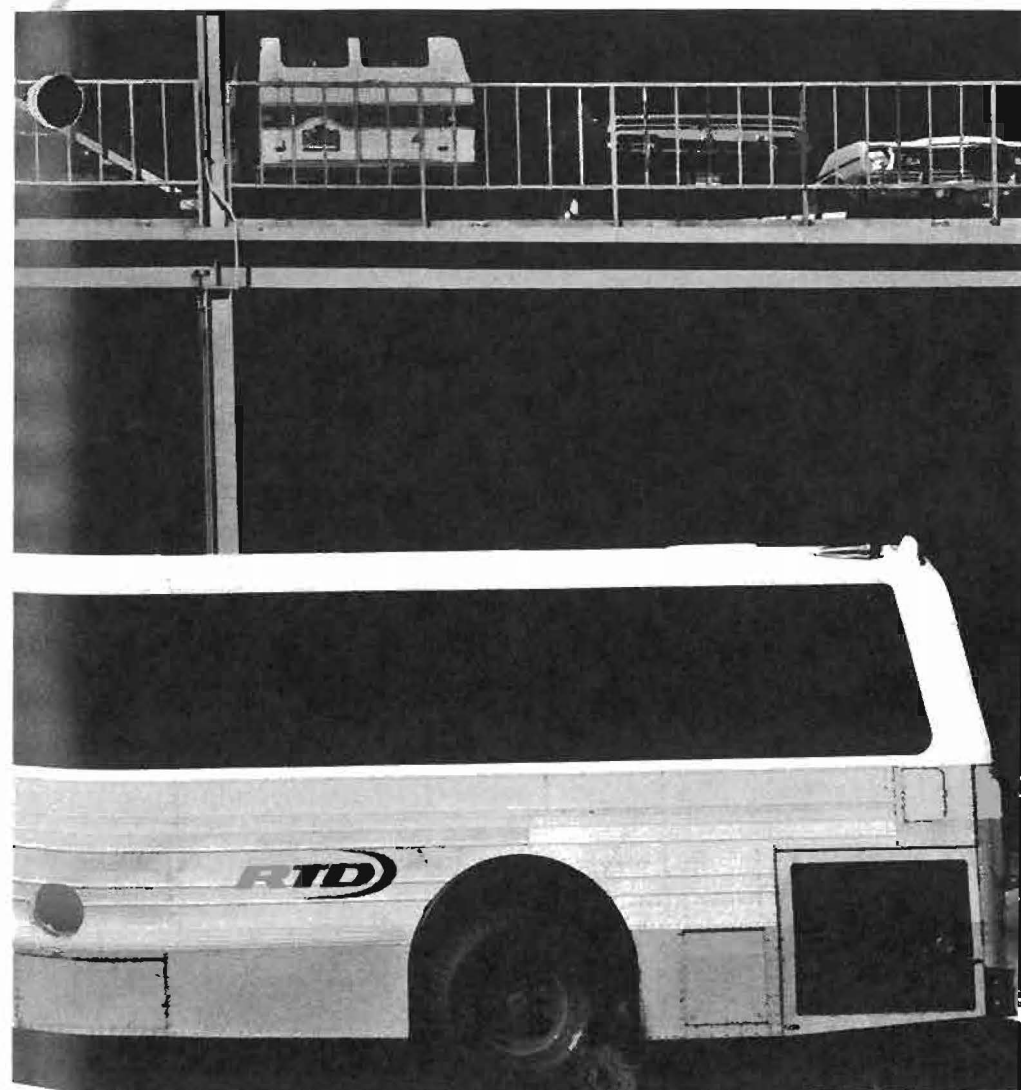
West/North Sector Improvements

The RTD began installing its highly-successful grid sector concept of bus line deployment on a phased basis in 1975. In the grid sector concept, bus lines are routed on major east-west and north-south streets in a crisscross pattern, where topography permits, and old, meandering lines whose origins are traced to early travel patterns are eliminated.

First sector improvements were installed in the San Fernando Valley and South Central Los Angeles. Later the District applied the same concept to East Los Angeles, San Gabriel Valley, Mid-Cities area, and the South Bay area.

Next areas programmed for inclusion in the grid sector program are the densely populated West and North sections of Los Angeles roughly extending from the downtown business district to the San Diego Freeway and from the Hollywood Hills to Century Boulevard. This area contains a majority of the District's most heavily patronized lines and serves an estimated 890,000 weekday boarding passengers, representing about 75 percent of the District's total patronage.

In preparation for incorporating these important areas in the grid sector plan, the District's Planning and Scheduling Departments are preparing a detailed, step-by-step program for implementation as funds become available. The West/North Sector Improvements would bring an estimated 15 percent net increase in operating costs. Funding does not appear available currently at the state and federal levels to support an increase of this magnitude. Items which can be implemented without cost, and the most critically-needed items which can be activated with no more than a 2 percent increase in vehicle mileage will be assigned priority.



Southern California Rapid Transit District Annual Report 1979-1980

	FY 1980	FY 1979	FY 1978
Av. Weekday Boardings	1,240,000	1,140,000	1,040,000
Total Annual Boardings	*352,600,000	344,700,000	315,000,000
Annual Passenger Revenues	\$101,323,000	\$98,038,000	\$82,629,000
Size of Service Area (Square miles)	2,280	2,280	2,280
No. of Bus Lines	223	218	203
No. of Buses Owned	2,732	2,604	2,488
No. of Peak Hour Buses	2,001	1,982	1,825
Av. Weekday Miles Operated	338,405	325,000	327,000
Annual Miles Operated	*99,000,000	102,000,000	104,000,000
One-Way Route Miles	4,571	4,536	4,471
Passenger Stops	30,000	30,000	30,000
Cities & Communities Served	185	185	185

*23-Day Work Stoppage Occurred in August-September, 1979

The Southern California Rapid Transit District is a public agency established by the California State Legislature in 1964.

President's Letter

To: Members of the Public residing in the Southern California Rapid Transit District service area, Legislative Bodies within the District, their Chief Executive Officers and Chief Administrative Officers, Governor of the State of California, and Honorable Members of the California State Legislature.

I am pleased to report that the Southern California Rapid Transit District made exceptional progress on several major fronts during the Fiscal Year ending June 30, 1980.

In recognizing the District's accomplishments, I hasten to extend credit to Marvin L. Holen, whom I followed as President in March, and to Jack R. Gilstrap, who served as RTD General Manager for ten years. Their leadership helped make FY1980 a landmark year for the District.

Mr. Holen, who served the Board as President for three consecutive years, performed a major role in obtaining the federal funding for our massive bus procurement program, and threading our rapid transit project through the many hoops necessary to preliminary engineering funding.

The District has acquired national recognition for its innovations. The highly successful El Monte busway is a prominent example and the many other contributions to improved transportation in Los Angeles have earned the District the respect and confidence of the entire transit industry.

In June, the Board accepted Mr. Gilstrap's resignation with regret, and we extend to him the best wishes for success in his new assignment as Executive Vice President of the American Public Transit Association.

Mr. Richard T. Powers, the District's General Counsel since 1971, has been appointed Acting General Manager until Mr. Gilstrap's successor is named.

The achievements of the District in FY1980 were as equally diversified as they were significant. The following are highlights worthy of noting:

- The RTD served 352.6 million boarding passengers in FY1980, a new annual record that was

achieved despite a 23-day work stoppage. Passenger boardings totalled 344.7 million in FY1979, a year in which no interruption of service occurred.

- Culminating a lengthy process, the District effectively overcame the obstacles of replacing its aging fleet of buses. Nearly 1,200 new buses have been received or are in process of manufacture and delivery. As described elsewhere in this report, the District expects to take delivery on approximately 2,100 new buses by FY1985.
- The new buses, some of which were delivered in FY1980, will display the District's new emblem and color design. With the new equipment and a new insignia, we look forward to establishing the RTD as a dynamic agency, serving one of the world's greatest urban areas.
- In FY1980, the District moved nearer than ever before to providing the Los Angeles area a metro rail transit system. Important funding for preliminary engineering of the rapid transit starter line program was received from the Urban Mass Transportation Administration (UMTA), along with approvals from the California Department of Transportation and the Los Angeles County Transportation Commission.
- The District will provide preliminary engineering for an 18-mile subway system running from Union Station west on Wilshire Boulevard to Fairfax Avenue, and thence north through Hollywood to North Hollywood. Preliminary engineering is a major phase leading to design engineering, station site acquisition, and construction.

This progress in FY1980 was achieved despite recurring difficulty. Soaring costs, propelled by inflation and the continuing rise in the price of petroleum, were constant obstacles. The RTD, like the transit industry generally, is especially vulnerable to inflation. Wages of most of our employees are indexed to changes in the Consumer Price Index, whereas our tax-based subsidies are not.

Magnifying the problem is the fact that the same inflationary and energy price pressures that drive up

RTD costs are also causing more and more commuters to give up their cars and switch to the bus. The RTD welcomes new customers. It is our mission to serve as large a segment of the public as possible.

But, unlike most business enterprises, the RTD does not benefit in a financial sense from thousands of new cash customers. As a subsidized public agency, the RTD provides service where it is needed, not just where it is profitable. As explained elsewhere in this report, increased passenger volume creates the need for more buses which increases our operating expenses, and the need for more subsidy. Unfortunately, the funding mechanism serving the RTD does not provide tax-based subsidies that keep pace with inflation or compensate for a rapid increase in passengers. As a consequence, in the present environment, the District is constantly coping with the threat of unfunded deficits.

The District has only two alternatives for correcting a projected revenue shortfall—to reduce service, or to increase fares.

It is the policy of the Board of Directors to reduce service only as a last resort. Reinforcing the Board's position are marketing surveys which indicate that the riding public overwhelmingly prefers necessary fare increases to cuts in service.

The District is not alone in its funding difficulties. The problem is a national one, although our need appears to be more than many other transit agencies because we have no designated local tax source.

The Los Angeles County Transportation Commission has proposed that a one-half cent sales tax be levied to support transit operations in Los Angeles County. The RTD Board of Directors has endorsed this proposal and earnestly urges your support of such a measure.

Respectfully,

Thomas G. Neusom

Thomas G. Neusom, President
Southern California
Rapid Transit District
Board of Directors

Board of Directors

The Southern California Rapid Transit District is directed by an eleven-member Board of directors appointed by a balanced cross-section of locally-elected officials as follows: Five members by the Los Angeles County Board of Supervisors, one by each supervisor:

Two by the Mayor of Los Angeles with the concurrence of the Los Angeles City Council;

Four by the City Selection Committee representing the other 77 municipalities within the District's boundaries.

The District consists of all of Los Angeles County with the exception of Santa Catalina Island and that area north of the San Gabriel Mountains.



THOMAS G. NEUSOM,
PRESIDENT

Attorney, appointed by Supervisor Kenneth Hahn, Second District, Chairman, Executive Committee.



RUTH E. RICHTER,
Vice President.

Leading citizen, San Fernando Valley. Appointed by Mayor Tom Bradley. Chairman, Customer Relations and Public Information Committee.



DONALD GIBBS

Architect, appointee representing Supervisor Yvonne Burke, Fourth District. Chairman, Facilities and Construction Committee.



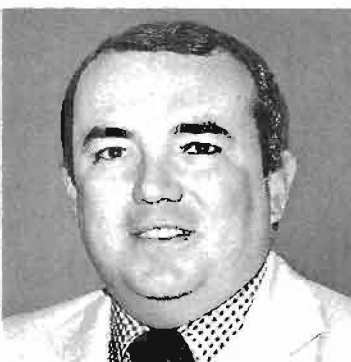
DAVID K. HAYWARD

Business executive, Mayor, Redondo Beach, City Selection Committee appointee for Corridor B (Airport-Southwest area). Chairman, Advance Planning Committee.



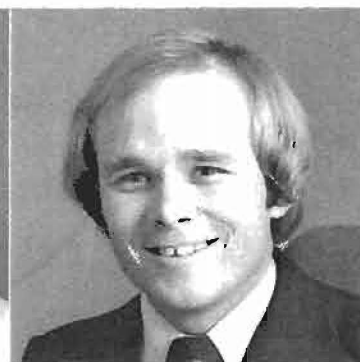
MARVIN L. HOLEN

Attorney, appointed by Supervisor Ed Edelman of the Third District. Chairman, Government Relations Committee.



GERALD B. LEONARD

Senior Deputy, Los Angeles County Board of Supervisors, and professional planner, appointed by Supervisor Baxter Ward, Fifth District. Chairman Administration, Efficiency & Economy Committee.



MICHAEL W. LEWIS

Deputy, Los Angeles County Board of Supervisors, appointed by Supervisor Pete Schabarum, First District. Chairman, Finance Committee.



CARL MESECK

YMCA executive and Councilman, Glendale, City Selection Committee appointee for Corridor C (Burbank, Glendale, Hidden Hills, La Canada-Flintridge, and San Fernando). Chairman, Rapid Transit Committee.



JAY B. PRICE

Councilman, City of Bell. City Selection Committee appointee for Corridor A (Mid-Cities-Southeast area). Chairman, Surface Operations Committee.



CHARLES H. STORING

Councilman and Mayor, La Puente. City Selection Committee appointee for Corridor D (San Gabriel Valley area). Chairman, Equipment and Maintenance Committee.



GEORGE TAKEI

Member of entertainment industry, appointed by Mayor Tom Bradley. Chairman, Personnel Committee.

Report of General Manager

In the number of passengers served, Fiscal Year 1980 was exceptionally successful for the Southern California Rapid Transit District. The District provided transportation for more riders than ever before in an efficient, cost-effective manner.

However, the RTD's expanding ridership has created a more severe financial squeeze and the prospect of a worsening financial situation.

The present funding sources for the RTD fail to adequately keep pace with the continuing acceleration of transit operating costs, propelled by inflation and the steady flow to transit of thousands of new riders seeking relief from the ever rising costs of operating automobiles. Often overlooked is the fact that more new riders during peak hour operations create the need to assign more buses to service, thus increasing the amount of subsidized dollars needed to compensate for our operating deficit.

Even with increased ridership, the RTD records an average loss of 47¢ per passenger boarding. On the average—counting passes and transfers as well as cash fares—each boarding accounts for 29¢ in passenger revenue, but the cost is 76¢.

Central to the RTD's fiscal problems is that it has operated since its inception in 1964 with no local tax base, i.e., no funds authorized by local citizens and levied and collected at the local level. Most large U.S. cities have some form of transit funding set aside by voter approval from local tax-based sources. San Francisco's BART, for instance, derives revenues from local property taxes, from a special one-half cent sales tax, and from the same one-quarter cent state sales tax assessment applicable in Los Angeles.

Orderly operation of the RTD is further inhibited by a legislative requirement, rare in public agencies, that it accumulate no reserves or deficits. The State of California, the County of Los Angeles, and the City of Los Angeles all operate with reserve provisions. Our budget for FY1981 is for more than \$540 million, an all-time high. To expect the RTD to manage a half-billion dollars without one cent of reserve to cushion

aberrations is not realistic.

The operating deficit in FY1980 was \$167,400,000. This deficit was met with subsidies of \$85,000,000 from the California sales tax and \$82,400,000 from the federal government and other sources; monies available based on public law and known in approximate amounts before the fiscal year begins.

In the spring of 1980 it became apparent we were headed for serious financial difficulties because of the rampant inflation. All of our attempts to avoid an increase in fares proved futile. Emergency action by the Los Angeles County Board of Supervisors brought temporary relief through the County Transportation Commission, but after three months of uncertainty and protests from harassed patrons, it became necessary for the District to raise fares.

The net effect of the entire, inflation-induced fare increase episode was that the RTD, working in unison with all possible tax-fund sources, demonstrated conclusively that the District does not have adequate funding sources and that the only remaining alternatives for coping with financial emergencies are to raise fares or cut service.

In attempting to seek additional funds in FY1980 the District did not propose to seek additional monies to expand or improve service, realizing that it was not financially possible. The objective was to obtain sufficient funds to maintain the existing level of service. The Board of Directors concluded that cutting service was unacceptable, and, consequently, only one option remained—to raise fares.

As gasoline has become more expensive, the RTD has emerged as a vital public service providing mobility for hundreds of thousands of new patrons anxious to save on their transportation costs and to avoid the threats of long lines at the gas stations. The RTD's importance as a source of energy conservation has been recognized. Motorists who do not use the RTD appreciate the fact that more gasoline is available at the pump because more than one-half million persons a day ride buses instead of automobiles.

Thus, in a period of growing dependency on transit, there is some question that there will be sufficient funds to improve Los Angeles' as well as the nation's transit resources. There are unmistakable signals from Washington that transit agencies will be expected to depend upon local sources for a larger share of their operating budgets.

It is clear that the RTD will continue to operate on the edge of financial uncertainty until an adequate source of local tax-based funding is provided, a source that can be used to maintain and expand service, as well as perhaps for reducing fares and funding rapid transit.

Without such financing, the District will continue to operate in a climate of a new funding crisis, a new need for supplemental grants, a new round of fare increases, or the possibility of cutting service every few months.

The predictable ongoing uncertainty necessitates actions by the District that are unsettling to the riding public and that adversely affect the RTD's ability to perform its mission.

In seeking a long range solution to the District's dilemma, there is a fundamental need to determine what the public expects of transit in Los Angeles.

- Is transit's role one of providing a substantial percentage of the public with a quality of mobility that is an acceptable alternative to the automobile?
- Should transit's principal concern be to serve those without access to automobiles?
- Is the future role of transit one of influencing the housing and travel patterns of the region?
- How should discount fares be subsidized for senior citizens, handicapped persons, and students? Other riders now pay more to compensate for the lower fares paid by discount riders. In neighboring Orange County, the practice has been that seniors and handicapped persons ride free on that agency's buses, and the County's Board of Supervisors has split the cost with the federal government.
- Do our long-range financial pro-

spects dictate a more austere approach in the configuration of new buses? Our newest buses are more expensive to purchase and are expected to cost more to maintain and to operate than previous models in our fleet.

Once the role of transit in Los Angeles has been determined, it will be necessary to make certain that adequate funds are provided to meet the goal through the legislative or referendum/initiative process.

We at the RTD also need to continue our emphasis on productivity. Our most effective productivity actions have been the employment of part-time drivers, the addition of high-capacity buses to service on our busiest lines, and the refinement of our bus schedules, tailoring service to demand.

As a result of contract negotiations conducted in the fall of 1979, the Dis-

trict has been able to employ about 400 part-time drivers, representing by agreement no more than 10 percent of the full-time driver work force. Employment of part-time drivers permits the District to reduce payroll expenses.

Twenty double deck 85-seat buses are scheduled for delivery early in 1981, and these will be assigned to service on high density lines, augmenting the thirty 65-seat articulated and two double-deck buses we now have in service. By contrast, new standard-sized buses contain 43 to 46 seats.

Other productivity actions include the gradual modernization of our maintenance facilities and revisions of schedules on many lines that permit us to reduce the number of buses assigned without affecting overall service.

On a long-range basis, plans to in-

stall exclusive busways on freeways and the rapid transit starter line offer important opportunities to serve more passengers at lower unit costs.

Productivity and operational improvements contribute literally millions in savings to RTD operations. They will not resolve our financial difficulties, but they do provide further justification for our leaders at home, in Sacramento, and in Washington to work together to provide the RTD with sufficient funding to accomplish its assigned task.

Respectfully,



Executive Staff

JACK R. GILSTRAP
General Manager

SAMUEL BLACK
Manager of Operations

HELEN M. BOLEN
District Secretary

DAVID DOMINGUEZ
Manager of Human Relations

RICHARD GALLAGHER
Manager and Chief Engineer,
Rapid Transit

GEORGE L. McDONALD
Manager of Planning and
Marketing

RICHARD T. POWERS
General Counsel

JOE SCATCHARD
Controller, Treasurer, Auditor

JACK STUBBS
Assistant General Manager
for Administration

JOHN S. WILKENS
Manager of Employee Relations

ROBERT WILLIAMS
Manager of Customer Relations

ANTHONY W. FORTUNO
Director of Marketing and
Communications



The District's new color scheme and logo are featured on the new buses being received.

Operational Highlights

RTD Acquiring Hundreds of New Buses and a New Look

The RTD is in the midst of the largest bus fleet modernization program in U.S. transit history.

The program provides for the procurement of 2,090 new buses through FY1985. This will enable the RTD to reduce the average age of its 2,600 buses to five years. Importantly, the public will gain an improved, more comfortable ride, and the RTD will project a progressive new image.

As the fiscal year ended, the District had placed in service the first 150 of an order for 230 Grumman Flexible Advance Design buses purchased in 1979. Advance Design buses are built to rigid, detailed specifications developed by the U.S. Department of Transportation's Urban Mass Transportation Administration (UMTA). They represent the first new generation of standardized transit buses developed by U.S. industry in two decades.

With delivery of the first of the new buses in the spring of 1980, the RTD introduced a new visual identification program including a new RTD mark and a new color design for buses. The new bus colors display red, orange, and yellow stripes against an all-white field. Roomier seats of fire resistant materials, larger windows, and air-conditioning contribute to passenger comfort.

An order for an additional 940 Advance Design buses, placed with General Motors in January 1980, is believed to be the largest bus order ever placed by a single U.S. transit agency. The first of the General Motors buses is scheduled to arrive in late 1980 with the order being completed in 1981. Buses are scheduled to be delivered from the manufacturer's plant at Pontiac, Mich., to the District's leased facility for new bus preparation in Downey at a rate of 60 per week.

Grumman Flexible and General Motors were awarded contracts as low bidders in separate procurement competitions. Unit price of the Grumman Flexible buses was \$121,000. Unit price of the General Motors buses, purchased one year

later, was \$141,000. All of the Advance Design buses will be equipped with wheelchair lift systems and related equipment, costing approximately \$15,000 for each bus, in compliance with state and federal requirements to provide handicapped persons with access to public transportation.

In addition to the Advance Design buses, the District is awaiting delivery in the spring of 1981 of 20 Neoplan double deck buses built in Germany. These buses, which seat 85 passengers instead of the 43 to 46 seated in Advance Design buses, have important productivity advantages on heavily-patronized lines. Regulations favoring purchase of buses manufactured in the United States were waived for this procurement, because there is no domestic manufacturer of this type of high capacity bus.

The District expects to procure 240 intermediate-sized, interurban, double deck and articulated (bend-in-the-middle) buses in FY1982 and FY1983. Funding for these buses already has been committed by UMTA.

To round out the modernization program, the District will seek funds for procurement of an additional 660 Advance Design buses for delivery over a three-year period ending in FY1985.

Of the total of 2,090 new buses, 2,000 are programmed to be equipped with wheelchair lifts. The 90 unequipped buses are double deck and articulated models which are not available with the wheelchair lifts.

Preliminary Engineering Begun on Rapid Transit Starter Line

Rail rapid transit for Los Angeles moved nearer to realization in June 1980 with the award by the Urban Mass Transportation Administration (UMTA) of a \$12 million grant to the RTD to commence preliminary engineering on the proposed rail rapid transit starter line.

This federal funding has been supplemented by a \$3 million "local share" provided by the State of California. An additional \$25 million will

be provided to the District over the next two years to complete the Preliminary Engineering. Subject to further approvals, the next phase will be final design and construction.

The proposed starter line would be approximately 18 miles in length and would be entirely underground. The proposed route extends from North Hollywood via Hollywood and the Fairfax/Wilshire neighborhood to Downtown Los Angeles, terminating at Union Station.

The corridor selected for the starter line ranks as one of the most densely-populated transit routes in the United States. The Los Angeles urbanized area ranks third in the United States in population density; after New York and Philadelphia and before Chicago. Corridor resident population averages 11,500 persons per square mile, ranging as high as 21,300 persons per square mile in the Westlake area, located immediately west of the Central Business District. Employment density within the corridor averages 20,650 persons per square mile.

The subway will enable passengers to travel from North Hollywood to Fifth and Broadway in 25 minutes, including station stops. Peak hour travel time for this same trip now takes about 40 minutes by automobile and 55 minutes by bus.

Start of construction is planned for 1983 with start of service anticipated for 1989.

Most of the subway will be bored at depths of 100 feet to 200 feet below the surface with the use of the deep bore subway tunneling method. This will prevent most of the interference with vehicular and pedestrian traffic and business activity caused by the cut-and-cover subway method that has been used in other cities.

The new system is expected to serve 250,000 to 275,000 riders per day when in full operation. In 1990, this will eliminate the need for about 200 buses in the Regional Core, with considerable net savings in transit operating costs in that area.

The cost of the starter line in 1977 dollars was estimated at \$1.12 billion. With an inflation allowance of 8 percent, compounded over the con-

struction period, the total cost could be as much as \$2 billion. It is anticipated this can be financed out of expected federal and state revenues earmarked for rapid transit.

Productivity

FY1980 was another year of marked productivity improvement at the RTD.

More passengers boarded RTD buses than ever before while total revenue vehicle hours and total revenue miles declined. As a result the District posted new record results of 56.87 boardings per revenue service hour and 3.99 boardings per revenue service mile. These two categories are considered important industry yardsticks in measuring efficiency of transit operations.

A 23-day work stoppage in August and September impacted results to a slight degree but did not obscure the District's exceptional performance. The strike tended to skew comparisons involving performance per employee since the total number of personnel remained unaffected while the total numbers of boardings, revenue service hours, and revenue service miles were reduced. Concomitantly, the District increased its total number of employees, especially in vehicle maintenance, in order to cope with increased workloads.

Operating costs per passenger boarding were held to 76.2 cents, only 13 percent over the FY1979 figure, despite a 20.5 percent inflation of total operating costs.

	FY1980	FY1979
Passenger boardings	352,600,000	344,700,000
Revenue vehicle hours	6,200,000	6,408,000
Revenue vehicle miles	88,498,000	90,534,000
Employees (average)	7,221	6,725
Employees per million boardings	20.5	19.5
Boardings per employee	48,830	51,256
Operating cost per vehicle service hour	43.35	36.19
Operating cost per passenger boarding	76.2*	67.3*
Operating ratio	38%	43%
Boardings per revenue service hour	56.87	53.79
Boardings per revenue service mile	3.99	3.41
Revenue vehicle service hours per employee	859	953

Enhanced Productivity Goal of Facilities Program

The facilities improvement program moved ahead on several fronts, paced by the District's long-term capital investment program. A major goal of the facilities program is to enhance productivity through modernization of existing structures and construction of new installations.

The District's old and obsolete structures, some of which were designed originally as streetcar barns, are gradually being replaced or modernized to provide more efficient facilities for the maintenance, servicing, and operation of today's complex buses.

The second phase of reconstruction at Cypress Park Division 3, located north of the Central Business District, neared completion as the fiscal year ended. This \$2.3 million project consists of new bus service facilities and other major site improvements.

Construction was started on a new \$1.4 million Transportation Building at Alameda Division 1 in the Central Business District. Design was begun on structural improvements to buildings at Los Angeles Division 2, Central Business District, and at South Park Shops Division 14, South Central Los Angeles. A study was initiated to select a new site for South Bay Division 18, now located near the intersection of the Harbor and San Diego Freeways.

Land was acquired and architectural design completed for two new bus operating facilities in the San Fernando Valley. Each of these facilities will occupy sites of about 18 acres and will cost about \$16 million.

The District's major building project, a new Central Maintenance and Administrative Headquarters Facility, has progressed through a series of local approval phases and is now awaiting release of preliminary funding by the Urban Mass Transportation Administration in Washington.

The process of selecting design consultants and land appraisers has begun. The project, estimated to cost \$89 million, will provide a centrally-located facility designed to meet the

District's long term administrative, operational, and maintenance needs. It will enable the District to move its headquarters from the present leased office space at 425 South Main Street and to move its central maintenance and stores activities from the existing antiquated and over-crowded facility in Southwest Los Angeles. The site for the new facility is near the Los Angeles Union Station, which is programmed for development as Los Angeles' central transit and transportation center.

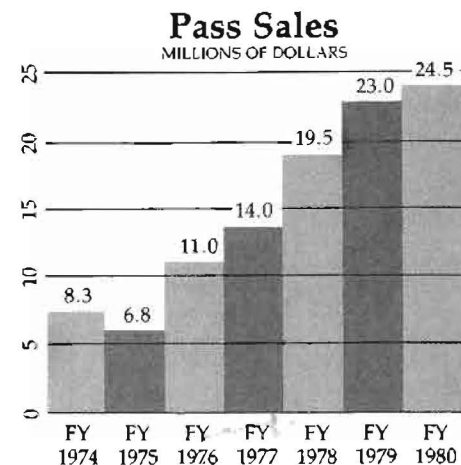
Pass Sales Boom

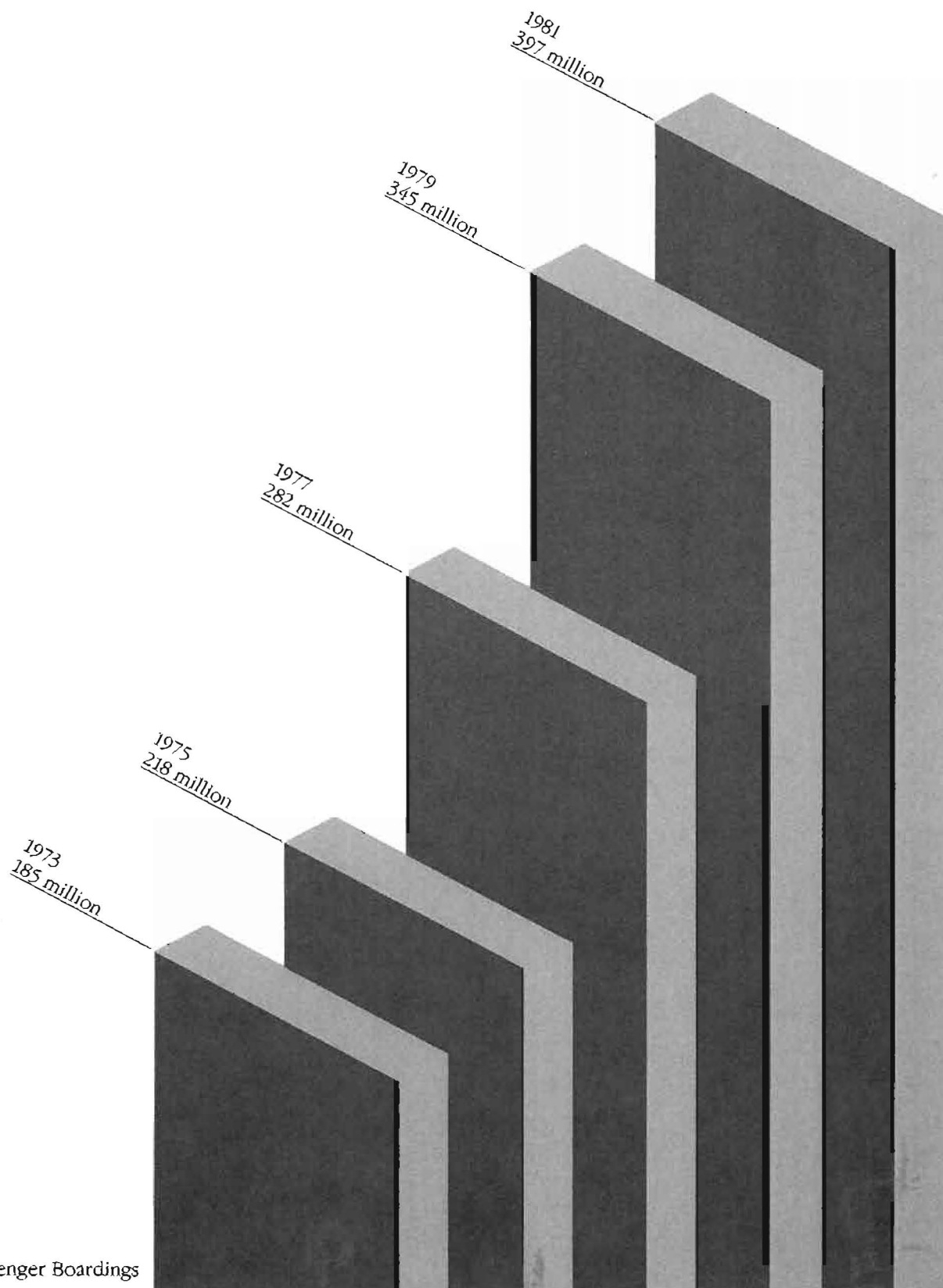
Sales of RTD monthly passes surpassed all previous records in FY1980, attesting to the appeal and convenience of the pre-paid passes over cash fares.

Pass sales for 11 months of FY1980 totalled \$24.5 million, compared with \$23 million for all 12 months of FY1979. The District sold no passes in September 1979 because of the work stoppage.

Numbers of passes sold, on an average monthly basis, climbed 15 percent in FY1980. Average monthly pass revenues were \$2.2 million in FY1980, up from \$1.9 million in FY1979.

Studies conducted by District statisticians indicate that the average pass buyer uses his or her pass 69 times per month. It is estimated that the average regular pass, good for unlimited riding on local lines in Los Angeles County, is used 85 times per month, and the average senior citizen pass 56 times.





Passenger Boardings

President's Letter



Thomas G. Neusom
President
Attorney
Appointed by
Supervisor Kenneth Hahn

While the cover for our FY 81 Annual Report is simple in design, it is profound in meaning. It shows the dramatic increase in ridership the RTD has experienced, a surge in demand for public transportation that began in 1974 as inflation and rising fuel prices were felt by all of us throughout the nation. Last fiscal year alone we served almost 400 million boarding passengers...another year of record performance.

It shows the extraordinary growth of a bus system that has had to keep pace with demand on the one hand, while planning for the future on the other. What were future plans for us a few years ago, are now accomplishments of record, and because

we have a tendency to lose sight of these achievements as we concentrate on plans to meet new challenges, it is worth reflecting upon the significant progress we made.

940 new General Motors RTS-II Advanced Design buses were introduced into service, providing a more comfortable, air-conditioned ride, and enabling us to retire a large number of older buses. As a result, the average age of our bus fleet has dropped from 13 to less than 5 years.

We completed in June a major improvement in the western area of Los Angeles, providing more direct service to some 500,000 passengers. This program was a key step in completing the District's goal, begun in 1975, of installing a grid system throughout most of Los Angeles County.

Six major preliminary engineering contracts were awarded for tunnel, track, station, major sub-system design, and other essential components of the 18-mile Metro Rail Project. Because of the uncertainty over the availability of federal grants, these contracts cover only

the first year's portion of two-year work assignments, and they provide that the District can terminate them at the end of the first year, or at its convenience. The District presently has sufficient funds from state and federal grants specifically designated for the Metro Rail Project to cover the first year's work. We are hopeful that the additional funds will be forthcoming and that the preliminary engineering phase can be completed on schedule. To discontinue the project without completing this important phase would mean all the time and effort invested in the project since 1977 would be lost. Once preliminary engineering is completed, final design and construction can begin.

■ Uncertainty over the future of federal funding extends beyond grants for the Metro Rail system. The Administration in Washington also has announced that federal funds for transit operating funds will be sharply reduced. To compensate for this loss in revenue, and for the rise in our operating costs because of inflation, we found it necessary to authorize an increase in our fares that became effective

July 1, 1981. The base fare was increased from 65 cents to 85 cents, and the rates for other fares and for passes were raised proportionately. The RTD, like all major transit agencies, is under constant stress regarding funding. Unlike other transit agencies, however, the RTD can neither accumulate surpluses nor operate at a deficit. Consequently, when government grants are not forthcoming to cover expenses, we must either raise fares or reduce service. The latest fare increase enabled us to continue providing bus service at the same level, and avoided a reduction in service.

■ Total passenger revenues in FY 1981 reached an all-time high, \$140,336,000. Even more pronounced was the increase in the sale of Monthly Passes and tickets, which amounted to \$51 million. There has been consistent growth in the use of Monthly Passes as the riding public has become more aware of their convenience and savings.

■ The selection was made of John Dyer, one of the nation's foremost transit ex-

Ruth E. Richter
Vice President
San Fernando Valley
Civic Leader
Appointed by
Mayor Tom Bradley

Jan Hall
Long Beach Councilwoman
Appointed by
Supervisor Deane Dana

Martin L. Hohen
Attorney
Appointed by
Supervisor Ed Edelman

Michael W. Lewis
Chief Deputy to,
and Appointed by,
Supervisor Pete Schabarum

Carl Meseck
Glendale City Councilman
City Selection
Committee Appointee



SCRTD Statistical Profile

	FY 1981	FY 1980	FY 1979
Average Weekday Boardings	1,300,000	1,240,000	1,140,000
Total Annual Boardings	397,000,000	*352,600,000	344,700,000
Annual Passenger Revenues	\$140,336,000	\$101,323,000	\$98,038,000
Size of Service Area (Square Miles)	2,280	2,280	2,280
Number of Bus Lines	230	223	218
Number of Buses Owned	3255**	2,732	2,604
Number of Peak Hour Buses	2,036	2,001	1,982
Average Weekday Miles Operated	336,000	338,405	325,000
Annual Miles Operated	105,000,000	*99,000,000	102,000,000
One-Way Route Miles	4,880	4,571	4,536
Passenger Stops	30,000	30,000	30,000
Cities & Communities Served	185	185	185

* 23-Day Work Stoppage Occurred in August-September, 1979

** Includes 728 vehicles in reserve fleet. Does not include 340 obsolete buses in process of disposal.

The Southern California Rapid Transit District is a public agency established by the California State Legislature in 1964

perts and leaders, as general manager of the RTD, effective August 17, 1981. Mr. Dyer led the successful efforts of Metropolitan Dade County (Miami), Florida, to acquire a 20.5-mile rail rapid transit system. His knowledge of federal transit policies and procedures, coupled with the leadership skills he had demonstrated in Dade County, will prove invaluable to the RTD. The Dade County Metrorail System, now under construction, is the nation's newest rail rapid transit system.

From August 1980, until Mr. Dyer assumed his new duties, Richard T. Powers,

our general counsel, served as acting general manager. On behalf of the Board of Directors and the employees of the RTD, I wish to express our appreciation for the able manner in which he conducted this assignment. His handling of day-to-day operations, as well as major emergency situations, attests to his leadership qualities. The record of progress contained in these pages is testimony to his successful performance in a difficult assignment. His continued service as a key member of the executive staff is a valuable asset to the RTD.

Important progress was made toward attainment of our five-year facilities goals. A new \$1.4 million transportation building was

completed at our Alameda Division in Central Los Angeles, and construction was started on a new \$9.7 million bus operating division in the East San Fernando Valley. Bids were received on another new division to be built in the West San Fernando Valley, and a concept design for a new Central Maintenance Facility and Administrative Headquarters was begun.

■ Safety for passengers and drivers was treated as a matter of highest priority. As the result of a new law, transit police officers were authorized and the District

upgraded and increased its security force. With a Los Angeles County allocation of \$375,000, the District hired part-time, off-duty sheriff's deputies and police officers to augment its force. This resulted in a substantial reduction in crime aboard buses.

As we take a moment to glance at the past fiscal year, we can report to the public with pride that substantial progress has been made in providing better bus service to our passengers, in upgrading our bus fleet, in constructing sorely needed facilities, in the engineering for the Metro Rail, in marketing the Monthly Pass, in employing a highly proficient general manager, and in crime prevention.

But accomplishments in the transit industry are fleeting at best. Our efforts today are dominated by the pressing needs of tomorrow, and I can assure you that we are on the road to further achievements and that the best possible solutions to the challenges we face will be found and utilized by the RTD.

Respectfully,

Thomas G. Neusom

Thomas G. Neusom
President
Southern California
Rapid Transit District
Board of Directors

Nick Palsouras
Consulting Engineer
Appointed by Supervisor
Michael Antonovich

Jay B. Price
Bell Councilman and Mayor
City Selection
Committee Appointee

Charles H. Storing
La Puente Councilman
City Selection
Committee Appointee

Gordana Swanson
Rolling Hills Councilwoman
City Selection
Committee Appointee

George Takei
Actor and Civic Leader
Appointed by
Mayor Tom Bradley



General Manager's Report



John A. Dyer
General Manager

This was an exciting year of developments at RTD. It also was exciting for me, especially after being named general manager in May, 1981. One of my first acts after assuming the duties of general manager in August, 1981, was to review the District's progress during the fiscal year just completed. Indeed, the organization has accomplished very positive results. The increase in ridership, the RTD's improvement in performance in the face of serious funding problems, and the strong public support evidenced locally, at the State level, and by the Federal government in the continued funding support of the Metro Rail project, all are indicators of the quality of District leadership and personnel.

For an outstanding job I wish to express my personal appreciation to Richard T. Powers, Acting General Manager, who conducted the

affairs of the District so ably during most of Fiscal Year 1981. His leadership is reflected by the many accomplishments that were made.

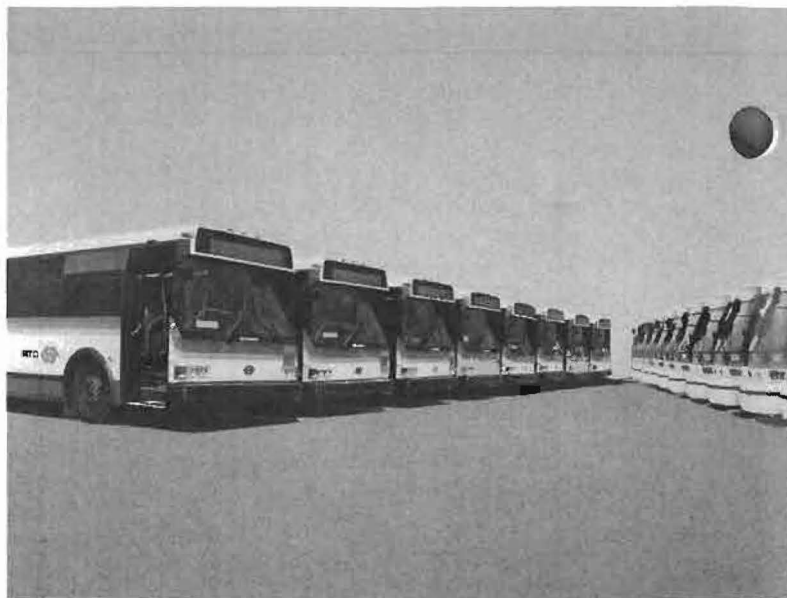
The RTD is especially attractive to me because of the challenges this new assignment offers. Los Angeles County clearly is destined for a role of increasing national importance, and the RTD has an opportunity to contribute substantially to the future of this urbanized area. It is my goal to work with the Board, as policy-makers, and the staff to see that RTD meets this responsibility, and to move the District in the decade of the 1980s into an era of prominence as one of the world's foremost transit systems.

It is evident that the present bus system cannot provide adequate public transportation throughout the urbanized area, and specifically in the Wilshire Corridor. Los Angeles has needed, and will continue to need, a fixed guideway rapid transit system to relieve severe traffic congestion on city streets and freeways. For a newcomer to the area, it is easy to see how the automobile and the availability of large quantities of desirable land were key factors in the development of the Los Angeles basin and the extensive freeway system. But today we are witnessing the emergence of an economy and a society based on an interdependence of the automobile and public transit. The public recognition of the need for a balanced transportation system explains in large part why today there is a greater degree of support for fixed guideway transit in Los Angeles than ever before.

The funding problems at the RTD—in Washington, in Sacramento, and locally—are widely known. A firm and predictable funding source for operations and capital improvements represents a matter of highest priority. Along with the policy direction and resolve of the Board, I intend to devote much of my energy to seeking a broader and more stable funding base for the District. One of the principal reasons for focusing on funding matters is to overcome obstacles that could block or delay construction of new bus facilities, the Metro Rail project, and the extensions of the fixed guideway transit system throughout Los Angeles County. In perspective, the RTD Metro Rail project as a starter line and other rail projects are of utmost importance to the people of

Los Angeles County.

Of equal concern to me is the hard fact that without new revenue sources, the future cost projections of the District imply there may well be no opportunity for expansion of bus service. As a matter of fact, the potential reduction and eventual elimination of federal operating funds could result in a decrease of some 150 peak-hour buses by Fiscal Year 1983 and another 110 buses by 1984. My concern is heightened by the fact that this reduction may be necessary at the very time when all studies show expansion and improvement of our bus service is absolutely necessary. For example, present financial restrictions inhibit the RTD from offering adequate cross-town express service. Most of the District's express service still serves the Central



These new General Motors (right row) and Grumman Advanced Design buses are among the more than 1,400 new coaches acquired by the RTD in the past four years. Air conditioning, padded seats, and wide windows assure patrons of a better, more comfortable ride.

Business District. Its usefulness to the community is indicated by the heavy ridership on these express lines.

At the same time, many of the peak-hour buses in the RTD system are operating with passenger overloads in both directions as westside residents rush to and from the Central Business District in the mornings and evenings, while residents of other areas travel to and from major westside industrial, commercial and financial employment centers that have matured in the past decade. Important work has been done in the last six years with the installation of the Sector Improvements Program in Los Angeles County. As a result, much of the local service is now deployed in a grid pattern. The effect of this deployment is that riders are now able



One of the District's 20 new double-decker buses is off-loaded at the Port of Long Beach. These new RTD buses seat 82 passengers, nearly twice as many as standard buses.

to reach most destinations throughout the County with no more than one transfer.

There are several cross-town local routes that, because of passenger loads, are ready for the addition of express service. Several of the RTD express service routes to downtown Los Angeles have reached a point where they should be operated in an express mode on the reverse trip. Extension of the express service would be an important step in bringing up to full use the bus-on-free-way concept throughout the urbanized area. Again, funding will be a major hurdle to overcome if expansion of the bus network is to occur in the near term.

These conditions indicate that there are needs unmet by the service currently being provided, and not all can be met exclusively by the surface bus fleet. Clearly, in the future, the RTD has to move even more rapidly than it has during the past year, toward

construction and operation of fixed guideway facilities. The corner has yet to be turned on deployment of fixed guideway facilities. In the early years of the 1980s, that corner will have to be turned. With the commitment of RTD Board members, as well as other leaders in the community, I am convinced we can make that turn, enormously upgrade the quality of public transportation, improve significantly the mobility of the citizens of Los Angeles County and reinforce the economic development now underway throughout the area.

Before the end of the 1980s, the result of community efforts should be a balanced transportation system in which the RTD can legitimately declare it has the capacity to meet the needs of the citizenry and to respond to the major economic forces which are rapidly moving the Los Angeles area into one of the world's greatest urban centers.

Respectfully,

Executive Staff

The District's operations are under the direction of a full-time executive staff.

JOHN A. DYER
General Manager

SAMUEL BLACK
Manager of Operations

HELEN M. BOLEN
District Secretary

DAVID DOMINGUEZ
Manager of Human Relations

RICHARD GALLAGHER
Manager & Chief Engineer,
Rapid Transit Department

GEORGE McDONALD
Manager of Planning &
Marketing

RICHARD POWERS
General Counsel

JOE SCATCHARD
Controller - Treasurer - Auditor

JACK STUBBS
Assistant General Manager
for Administration

JOHN WILKENS
Manager of Employee
Relations

ROBERT WILLIAMS
Manager of Customer
Relations

ANTHONY FORTUNO
Director of Marketing
& Communications

Major Improvements in Bus Service

The RTD achieved dramatic improvements in its bus operations in Fiscal Year 1981.

Two of the most significant accomplishments were the deployment of hundreds of new, air-conditioned buses and the implementation of the largest and most far-reaching service alignment and improvement program in the history of the RTD.

As a result of the District's modernization program, 1,170 Advanced Design buses were introduced into the fleet in FY 1981. By adding 1,420 new buses to its fleet in the past four years, the RTD has been able to reduce the average age of a bus in the active fleet from 13 years to 4.7 years.

By deploying the new buses, the RTD will be able to retire from active service a like number of older buses, some of which were more than 20 years old and which were subject to recurring malfunctions.

About 700 retired buses are being held as a reserve fleet and can be pressed into service in the event of a severe energy shortage.

With newer buses the number of road calls has been reduced. A road call is a transit industry term referring to the dispatch of a service unit when a bus is immobilized while in service. Average operating mileage between road calls, due to mechanical reasons, increased from 1,800 miles in July, 1980, to 3,100 miles in June, 1981, a significant increase in productivity.

All of the new buses are air-conditioned and equipped with wheelchair lifts, except articulated and double-decker

buses. The District has retired numerous older buses without air conditioning and now has the largest fleet of air-conditioned buses in the United States. Wheelchair lift-equipped buses will make it possible to phase in accessible service on 115 lines over the next 12 months.

On-time performance of buses has also increased. The on-time pull-out rate has reached 99.5 percent, meaning that only one driver in 200 is a few minutes late in starting a run. The RTD constantly monitors its routes to assure that schedules are maintained. Over 17,500 bus runs are dispatched every week with an average of less than 5 cancellations.

Major improvements in routing and scheduling of bus lines affecting several hundred thousand daily passengers were implemented in the western area of Los Angeles. These improvements marked the virtual completion of the realignment of the RTD system begun in 1975.

With introduction of the western area improvements, the entire County system was converted to a grid pattern, permitting the majority of RTD passengers to reach their destinations with a single boarding or only one transfer.

Some of the bus routes replaced by the new improvements were designated originally as street railway lines intended to link early suburban developments with downtown Los Angeles. Because some of these early line routings meandered over a broad area, passengers often had to transfer two or more times in order to reach cross-town destinations.

The new grid system, in which most lines are deployed in an East-West and North-South pattern, replaces a traditional radial system in which major bus lines fanned out like the spokes of a wheel from downtown Los Angeles.



Robert Foreman,
Operator of the Year—1980
Many runs, no hits, no errors. In eleven years he has never been absent, never in an accident and never late.

Bus Facilities

Upgraded

The District continued to upgrade and improve its bus facilities in FY 1981 as a means of increasing efficiency and productivity in the maintenance and operating divisions.

The District's capital investment program over the next five years provides for major improvements at 9 of 12 bus divisions and the construction of 5 new divisions. This program will enable the District to eliminate obsolete facilities, including some dating back to streetcar operations.

In FY 1981 a new \$1.4 million transportation building was completed at Alameda Division 1 in the Central Business District. Only minor work remained to be accomplished on a \$500,000 renovation and expansion of the transportation building at Los Angeles Division 2, also in the Central Business District.

Construction was begun on the new Sunland Division 15, a \$9.7 million bus-operating facility in the East San Fernando Valley. This facility is scheduled for completion in

early 1982, and will replace the existing Division 15 facility.

Bids were received for a new Division 8 facility to be located in the Chatsworth area of the West San Fernando Valley. This facility, when completed, will replace the existing Division 8 facility, which is too small for current operating loads.

Major Facilities

A consulting firm was employed to design a new operating facility in East Los Angeles incorporating special provisions for the maintenance and operation of high-capacity double-decker and articulated buses. This new facility will be known as East Los Angeles Division 10. It will occupy a District-owned site on Mission Road near Macy Street.

A 15-acre tract near Griffith Street and Broadway in Carson was selected for the site of a new bus-operating facility to replace the present Division 18, which is now located on leased land.

A consultant was selected and work begun on the preparation of a facilities program and concept design for the proposed new Central Maintenance and Administrative Headquarters Facility. Grants totalling \$11.3 million have been received for land acquisition purposes. Final design for this project will be prepared by a consultant to be designated in the winter of 1981. Completion of this project is scheduled for 1984-85. This centrally located facility will

enable the District to relocate its Central Maintenance and Stores operations in a single complex designed specifically for transit use. The proposed site is near the Los Angeles Union Station.

Transit Police

Curb Crime

The RTD has mounted a determined attack on crime aboard buses through its transit police force.

A highly professional, academy-trained force of 70 officers has been authorized to protect passengers, employees and property as the result of California legislation authorizing the District to have its own police force. In addition, the RTD's regular police force is augmented by 400 off-duty local police officers who are hired on a part-time basis under terms of a \$375,000 grant provided by the Los Angeles County Board of Supervisors.

A 13 percent decline in the incidence of violent crimes aboard buses was recorded in the first six months of 1981 compared with the same period of 1980.

The District is expending approximately \$4 million annually in support of transit police operations.

Productivity Increases

The District's productivity performance, buoyed by a stronger demand for service, was outstanding in FY 1981.

Ridership rose to 397 million boardings, a new annual record. The ratio of passenger revenues to operating costs moved up to 42 percent.

Improvement was recorded as measured by industry standards, such as boardings per revenue service hour, boardings per revenue service mile,



When Metro Rail begins operation, patrons will enter trains from platform areas in a matter of seconds. All stations will be clean, well-illuminated and under electronic surveillance.

employees per million boardings, boardings per employee, and revenue service hours per employee.

Operating costs per boarding edged up to 83.6 cents, a 9.8 percent increase over the FY 1980 figure, while total operating costs reflected an increase of 23.5 percent, much of it due to inflation.

Metro Rail Progress

The RTD Metro Rail Program made substantial progress on a number of fronts during FY 1981.

An important milestone was the completion of all field and laboratory work in the investigation of sub-surface geology to be encountered along the designated route, extending from the Union Station in downtown Los Angeles, west along Wilshire Boulevard to Fairfax Avenue, and north to Hollywood and North Hollywood.

A total of 41 borings were made to depths of 100 to 400 feet along the route, and borings underwent laboratory

analyses. These tests have indicated a preponderance of firm, stable substratum receptive to tunneling for the new rail system.

The District also selected several consulting engineering firms to perform the preliminary engineering phase work over a two-year period, including some of America's best known and most respected engineering firms. The contracts, which will total some \$6 million, are in final negotiation.

Community support for the RTD Metro Rail crystallized in FY 1981 as the news media, elected city and county officials, legislative delegations in Sacramento and Washington, and many organizations and potential users all voiced their support for the project.

Never before has so much local support materialized in behalf of a Los Angeles transit program as that which the RTD is receiving for Metro Rail. This support has helped keep the project moving ahead despite the funding limitations Washington has applied to transit improvements all over the country.

The District has proposed construction of the Metro Rail starter line as the most feasible method for providing high quality, cost-effective public transportation service in the Regional Core of the Los

Angeles Metropolitan area. Today buses operating along the Wilshire Corridor are so crowded that drivers often must pass up riders at bus stops. Traffic is frequently so congested in peak hours that adding more buses would only compound the problem.

Ridership on RTD bus lines serving Wilshire Boulevard and parallel streets is more than 169,000 riders per day—more than the number carried by the entire San Francisco BART system. When completed in 1990, Metro Rail will serve approximately 300,000 riders per day, which will enable the District to reduce by 200 the number of buses assigned to the densely-populated Regional Core. High-capacity, high-speed trains are more cost-effective than buses in high-density areas. One six-car train with one operator can carry the equivalent of 14 buses with 14 operators. The reduction in the number of buses will result in a savings of \$50 million annually in transit costs.

It is not generally known that the Los Angeles urban area's Regional Core is now one of the most densely populated areas in the United States, second only to New York City. Because of the economics offered by rail transit, the RTD Metro Rail project will provide time savings, increased capacity, safety and reliability of rail transit, and reductions in overall transit operating costs.

***SOUTHERN
CALIFORNIA
RAPID
TRANSIT
DISTRICT***

ANNUAL REPORT 1981-1982



President's Letter



Michael W. Lewis
President
Chief Deputy to,
and Appointed by
Supervisor Pete Schatavian

he operating statistics in this report represent what I consider RTD's triumph over funding uncertainty and financial stress during Fiscal Year 1981-1982.

That the District was able to end FY 82 in a balanced fiscal condition is recognition of RTD's management skills and the dedication of its thousands of employees.

Inasmuch as I did not become Board President until March, much of the credit for the policy guidance that enabled us to overcome our problems is due my predecessor, Thomas O. Neusom, and to General Manager John A. Dyer.

It was with reluctance but necessity that the District increased its fares in July of 1981 and imposed stringent

internal economic measures. Without these actions Fiscal Year 82 would have been a financial disaster.

Faced with dwindling state and federal subsidies and rising inflation, we were preparing for a base fare of \$1 or more, and major service cuts when temporary relief arrived April 30 through the validation of Proposition A by the California State Supreme Court. This proposition was approved by a majority of Los Angeles County voters in November, 1980, but was contested and subject to court review for nearly a year. The law provides for an increase in the state sales tax by one-half cent to finance public transit.

For the first three years, a major portion of the new tax funds will be used to subsidize a reduced, 50-cent basic fare. But serious deficits are anticipated after three years, in Fiscal Year 1985, unless ways are found to replace funds that will be shifted toward subsidizing rail rapid transit.

The RTD Board of Directors and the Los Angeles County Transportation Commission are alert to this problem and are working together to determine a solution.

During FY 82 the RTD also faced the need to negotiate contract renewals with its three unions. As you know, bargaining continued into September and the District was forced to endure a five-day strike before a settlement was reached with our operators. Although we were unable to prevent a strike, we were able to reach settlements without strike intervention with two of our unions, and the work stoppage was the shortest in RTD history.

It is of major importance to note that during FY 1982 the District progressed on schedule with Preliminary

Engineering of its Metro Rail Project. As this project moves toward design and construction in 1983, the thrust of the RTD as a multi-modal transportation agency becomes more pronounced. With the steady population increases projected for Los Angeles County, we will be able to serve the public need only with the operation of high-capacity, high-speed rail lines.

As the Metro Rail Project proceeds toward the land acquisition and construction, the RTD will encourage private firms and individuals to join with it and other public agencies in sharing the costs and the benefits of station area development. Joint development of commercial properties in and near station locations, and air rights above Metro Rail sites offer less dependence on tax subsidies and great benefits to the public in added convenience and service. Joint Development is not an experimental concept. It has been applied successfully in the construction of rail systems in Washington, D.C., and Atlanta, Ga. By introducing Joint Development during Preliminary Engineering of the RTD Metro Rail Project, we expect to maximize the benefits of a partnership between public transit and private enterprise.

However, until rail systems become a reality, the people of Los Angeles must rely on buses for public transportation. All of us at the RTD are committed to continue operating the nation's third largest public transit agency efficiently and safely.

Respectfully,

Michael W. Lewis

Michael W. Lewis



20 new double-deck buses were put into service during FY 82 on major commuter bus lines to increase cost efficiency in operations.

Board of Directors



Ruth F. Richter
Vice President
- 1976-1978
- 1980-1981
Appointed by
Mayor Tom Bradley



Jan Hall
Vice President
- 1978-1980
Appointed by Board



Marvin L. Holen
Vice President
Appointed by
Superior Court



Carl Meseck
Glendale City Councilman
City Selection
Committee Appointee



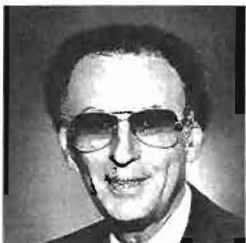
Thomas G. Houston
President
- 1981-1982
Appointed by Board



Nick Falasouras
President
- 1982-1983
Appointed by Board



Jay B. Price
Bell Councilman and Mayor
City Selection
Committee Appointee



Charles H. Storing
LA Public Employees
City President
Committee Appointee



Barbara Bradman
LA Public Employees
City President
Committee Appointee



George Takel
LA Public Employees
City President
Committee Appointee

Statistical Profile

	FY 1982	FY 1981	FY 1980
Average Weekday Boardings	1,150,000	1,300,000	1,240,000
Total Annual Boardings	352,700,000	397,000,000	352,600,000*
Annual Passenger Revenues	\$163,489,000	\$140,336,000	\$101,323,000
Size of Service Area (Square Miles)	2,280	2,280	2,280
Number of Bus Lines	225	230	223
Number of Buses Owned	2,969***	3,255**	2,732
Number of Peak Hour Buses	2,007	2,036	2,001
Average Weekday Miles Operated	331,100	336,000	338,405
One-Way Route Miles	5,031	4,880	4,571

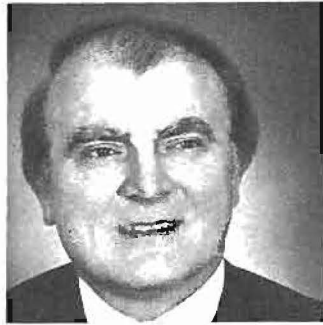
*23-Day Work Stoppage Occurred in August-September 1979

**Included 728 vehicles in reserve fleet.

***Includes 470 vehicles in reserve fleet.

The Southern California Rapid Transit District is a public agency established by the California State Legislature in 1964.

General Manager's Report



John A. Dyer
General Manager

or the RTD, FY 1982 was a year of paradoxes, uncertainties and mid-course changes in direction. The first began on July 1, 1981, the first day of FY 1982 with a base fare increase from 65¢ to 85¢ and other actions required as a result of increased operating costs and potential reductions in state and federal operating assistance. Changes and reductions in service throughout the year were scheduled, and general plans for major reductions in the RTD service system began to be detailed because of larger projected funding shortfalls in 1983.

In a period of eight months, all of this resulted in a loss of 200,000 daily riders, from 1.3 million to about 1.1 million. Then the mid-course change in direction came when quite by surprise, the State Supreme Court validated Proposition A, April 30, 1982, some 10 months into the fiscal year. The effective date of the half-cent sales tax was to be July 1, 1982, the beginning of FY 1983. Thus, in a period of 10 months the very hard decisions the Board of Directors had made in June, 1981 to increase fares and to begin planning a scaled-down system for 1982 and 1983 were turned around by the decision of the Supreme Court a year and one-half after the voters had voted for Proposition A. The RTD suddenly became one of the few transit systems in the United States that had a major source of local revenue for purposes of sustaining its ongoing operations, reducing the fare, and working with other regional agencies to begin building a fixed guideway rapid transit system to service the urban area for the next 50 to 100 years. The decision of the State Supreme Court was a landmark for public transportation in both the long-term and the short run.

It is difficult to put into words just how the enormous uncertainty of 1982 negatively impacted the Board of Directors, the General Manager and the staff. For example, between March 1982 when the detailed preparations were being completed for a large service reduction in 1983, the major loss in ridership in 1982 was obvious. The District faced a potential budget shortfall of some \$44 million for FY 1983 and was in the process of making major reductions in service and increasing fares to \$1.25 in March, 1982 and June, 1982 in order to soften the reductions for 1983. In addition, plans were completed and the machinery was developed to begin the very painful process of laying off up to 800 persons and reducing service in order to balance the 1983 budget. These were some of the demoralizing complications faced by the policymakers and management in terms of winding down the transit system. This was about to be done when all the information and data available showed the transit needs of the urban area were not being met, and the gap would likely get greater as the capacity and service levels of RTD were reduced as a result of lack of public funds. Tough choices and major impacts on the RTD, its employees, and the riding public!

With the validation of Proposition A on April 30, 1982, some ten months into the fiscal year, the uncertainty of the District turned 180 degrees. Proposition A, which had been passed by the voters of Los Angeles County by a margin of 54%-46% on November 4, 1980, provided that the District would reduce its fares to 50¢ for three years and would maintain the service level in effect at the time of the vote. The RTD had a predictable, local source of rev-

enue for the first time in its history. In addition, Proposition A provided that the urbanized area would begin a major rapid transit development program in a number of corridors identified at the time of the vote.

Although Proposition A means for RTD that there is a three-year reprieve from the very "tough medicine" that is involved in increasing fares and in making reductions in service, it also anticipates that the District can greatly improve its productivity. Productivity means many things to many people. To me, it means establishing personal and organizational goals and objectives to be achieved by each employee who has a personal responsibility for carrying out his or her job. It means encouraging everyone to work harder while they are on the job, to know their jobs better each day than they knew them the day before, to focus their activities while on the job so as to support and assist in the achievement of the objectives, goals, and missions of the Agency.

Productivity can be measured. It is easily measured in the transit industry because there are so many functions, activities, and elements which can be quantified. Individuals should not fear productivity, but should welcome it because it is the distinguishing factor between ordinary and superior performance, between doing just enough to get by and being an outstanding performer. No one in his or her job likes not having new opportunities to grow, not having opportunities for promotion, not having new challenges to conquer. In the final analysis, having those opportunities and being able to show how well each person can do is what productivity and performance are all about!

General Manager's Report

In 1982, the validation of Proposition A gave RTD three years to show how well it can perform as an Agency, to show how well it can serve this community and the people who live in the urbanized area, and to show the community it has the capacity to carry out the long-term goals and objectives necessary to put in place and operate major new transit facilities. It does mean that we must set goals and objectives that are attainable and that we each can have a part in achieving. What are the RTD goals, are they achievable, can we agree on the measures and how well we should perform?



940 of these new GM Advanced Design buses were placed into service by RTD during an eight-month period ending August 4, 1981. At a cost of \$141,000, each bus seats 43 passengers and can accommodate two persons in wheelchairs.

For starters, I believe the following goals need to be set, can be achieved, and that we can agree on measures of how well we should perform. The first goal is that we must operate a safe, clean, convenient and an efficient mass transit system for the metropolitan area. A second goal means that we must improve our productivity in management, in operations, in maintenance, and in supportive services necessary to make the District function on an efficient basis. A third goal is to develop and operate a fixed-guideway transit system within the urbanized area without detracting from the quality of life and the development of the urbanized area. A fourth goal is to use the leadership position of RTD to serve as a catalyst for the physical and economic development

of the metropolitan area in relation to transportation and access for people. In short, improved mobility. A final goal is to support and reinforce the land use and development patterns of the urbanized area.

What all these goals mean is that they are the focus of the future for the RTD. The specific objectives which are sub-divisions of the goals can be established. We, as an Agency, can achieve them over time. For example, we must be prepared to operate improved service on a number of lines as a result of the passage of Proposition A

because 50¢ fares will result in increased ridership. We must be prepared to move with dispatch on improving our maintenance facilities and transportation facilities so that the mechanics will have new equipment, tools, and facilities from which to operate, so that dispatchers will have new facilities and equipment from which to dispatch, and the operators will have improved equipment to drive. There are many other improvements that can and will be made, such as word processors replacing typewriters, a computer-based customer information system as opposed to the manual operation that our Information Clerks must work with today, and a variety of others.

In the final analysis, 1982 was a year that started out with bleak prospects for the RTD. There were a number

of major public transportation-related policy decisions made by other government branches and agencies. Fortunately, those decisions, on balance, come out as pluses for the RTD. We have as the employees and policymakers of RTD the responsibility for implementing those decisions in a form and fashion that brings improvements for the citizens, taxpayers, and the riding public. Our challenge is to accomplish the task in a way that brings not only added service to the urban area, but added support and assistance by those who ride the RTD and those who benefit from our services whether they ride the system or not. Hopefully, 1983 and the following years will be ones in which we can accomplish our goals and objectives with even greater successes than we plan or anticipate.

Sincerely,

John A. Dyer

EXECUTIVE STAFF

During FY 1982 the District's operations were under the direction of the following full-time executive staff.

John A. Dyer
General Manager
Samuel Black
Manager of Operations
Helen M. Bolen
District Secretary
David Dominguez
Manager of Human Relations
Richard Gallagher
Manager & Chief Engineer,
Rapid Transit Department
George McDonald
Manager of Planning
& Marketing
Richard Powers
General Counsel
Joe Scatchard
Controller-Treasurer-Auditor
Jack Stubbs
Assistant General Manager
for Administration
John Wilkens
Manager of Employee Relations
Robert Williams
Manager of Customer Relations

Anthony Fortunato
Director of Marketing
& Communications

Operational Highlights



Richard Gallagher (right), Manager and Chief Engineer of RTD Metro Rail Project, inspects model of the Tunnel Boring Machine to be used in Los Angeles, with James E. Crawley, Deputy Chief Engineer. Similar machines were used to bore subway tunnels in Baltimore and Buffalo.

FARE HIKE DEFLECTS RIDERSHIP

or the first time in five years the number of passengers boarding RTD buses declined during Fiscal Year 1982.

The decrease, over 11% from the previous year, totaled more than 44 million boardings. Total passenger boardings were 352.7 million in FY 82, as compared to 397 million the year before.

The decline was attributed to a 30% fare increase and a generally distressed economy.

While ridership was down, passenger revenues in FY 82 were \$163 million, an all-time high compared with \$140 million in FY 81.

Because of increased operating costs and a reduction in local subsidies, the base fare was raised on July 1, 1981 from 65¢ to 85¢. Other fares and Monthly Passes were raised proportionately. To offset costs, bus service cuts also were made on lines with low patronage, resulting in a savings of \$15 million.

While bus patronage declined, the increased fares resulted in additional farebox revenues which were a critical factor in enabling the District to avoid a deficit.

Illustrating the upward pressure of inflation on RTD operating costs, was the cost per boarding passenger, which in FY 82 exceeded \$1 for the first time. Average cost per boarding for the year was \$1.06. Average passenger revenue per boarding was 46 cents, with the average subsidy per passenger, 59 cents.

Total prepaid pass and ticket sales also reached an all-time high, \$62 million in FY 82, an increase of \$11.1 million from the previous year.

RTD ROLE IN MULTI-MODAL TRANSIT

the role of the RTD as a multi-modal provider of public transportation became more evident in FY 1982, as numerous converging factors underscored the need for adding rail to the area's transit system.

The Los Angeles urbanized area is the second largest in the nation with a total population of more than 10 million. It grew almost 1.5 million over the past 10 years and was one of only two major metropolitan areas among the top 20 that increased population and maintained its density.

As the largest all-bus transit agency in the nation, the RTD presently is the third largest U.S. transit system on the basis of ridership. Only New York and Chicago, both with extensive rail and bus systems, carry more riders.

After striving for a number of years to bring a rail transit system to Los Angeles County, the RTD in FY 82 made tangible progress toward realization of the 18-mile Metro Rail Line. This initial high-speed line, to be constructed mostly underground, is designed to provide high-capacity rail transit from downtown Los Angeles to the densely-populated Wilshire-Hollywood-North Hollywood Corridor. Alternatives in alignment being considered include an intermediate-capacity system traversing the Hollywood area and connecting with the north/south segment of Metro Rail.

When it begins operation in 1990, it is expected to carry at least 300,000 daily passengers.

Now in the Preliminary Engineering phase, the Metro Rail Project gained substantial additional local funding with the validation of Proposition A. Under terms of the measure, a major portion of funds generated by a one-half cent sales tax increase is reserved for construction and operation of a rapid transit network within Los Angeles County. This expanded network would connect with the Metro Rail starter line.

The State of California took aggressive action to support forecast transit need in Los Angeles County, and there was mounting evidence that Los Angeles has been identified as the next major city to receive federal funding for fixed guideway transit.

The RTD Metro Rail will serve as the backbone of a high-speed transit network serving the densely-populated areas of Los Angeles County.

Public Involvement

An important development of the project was the introduction of a Community Participation Program to assure full public involvement in decisions regarding configuration and

design of the project. As a result, the Metro Rail Line will incorporate design features requested and specified by public participants.

Twelve Important decision points, designated as Milestones, have been established, and community meetings scheduled to insure public participation at each important Milestone.

The 12 Milestones have been established as follows:

1. Preliminary System Definition
2. System Design Criteria
3. Route Alignment Alternatives
4. Station Location Alternatives
5. Right-of-Way and Relocation
6. Development and Land Use Policy
7. Safety, Security and System Assurance Plan
8. System/Subsystem Configuration and Fixed Facility Plans
9. Supporting Service Plan
10. Definitive Station Design
11. Preliminary Cost Estimate
12. Preliminary Engineering System Plan

In May of 1982 the RTD Board of Directors adopted an overall Preliminary System Definition and System Design Criteria (Milestones 1 and 2) following comments and testimony taken at numerous neighborhood and regional public meetings.

In adopting these Milestones the Board determined that the Metro Rail Line will be a conventional two-track, steel wheel, steel rail system, similar to the rail transit systems in Washington, D.C. and Atlanta, Ga.

The initial 18-mile route will extend from the Central Business District, west on Wilshire Boulevard to Fairfax and then north to Hollywood and North Hollywood.

The Board defined the system's service schedule as providing for six-car trains to operate 20 hours per day, with alternatives for operation up to 24 hours per day, and for periods of less than 20 hours per day.

Trains will operate at 3 1/2-minute intervals at rush hours, and at longer intervals during off-peak periods. Travel time from North Hollywood to downtown Los Angeles will take approximately 30 minutes at an average speed of 35 miles per hour.

The adopted schedule will require a fleet of 140 rail cars, including spares. These standard-size rail cars will be 75 feet long, with a seating capacity of 70 passengers. Total capacity with standing passengers is estimated at about 200.

Operational Highlights

The Board also adopted guidelines to be followed by Metro Rail engineers to ensure that the system will be safe, secure, comfortable, dependable and convenient.

Work was started on Milestones 3 and 4, pertaining to route alignment and station locations.

Sixteen stations have been proposed for the Metro Rail Line to enable it to serve the Central Business District, Mid-Wilshire, Miracle Mile, Hollywood, North Hollywood and San Fernando Valley areas. Within this densely-populated corridor it is estimated that employment in the corridor area will increase to between 450,000 and 500,000 persons by the year 2000.

Joint Development

The District proposes in Milestone 6, Land Use and Development Policy, to encourage joint development of stations and adjoining properties by private developers working with the RTD and other public agencies.

There is currently a high level of private sector interest in coordinating and integrating future projects with individual station facilities. The District is seeking to move rapidly on this phase to take advantage of several major project opportunities now in the making.

It is estimated that up to 25 million square feet of commercial development will be constructed in the next 10 to 15 years at station areas.

Nearly 50%, or at least 10 million square feet of this commercial development could be integrated with station facilities. Five to six million square feet is expected to be initiated as a direct result of the proposed Metro Rail Line operation. Total private sector investments are expected to be 2 to 2 1/2 times the total escalated system construction cost estimate of \$2.1 billion.

Future

The District is also assessing "value capture" techniques, similar to those used in Washington, D.C., Atlanta, New York City and Miami. This will provide a means of recovering capital and maintenance costs from developers and owners of buildings directly connected to station facilities.

Under consideration are benefit assessment districts to offset the expense of providing station area development for the public, and an ongoing source of funds for future improvements.

The Preliminary Engineering phase is scheduled for completion in July 1983, and will be followed by a six-year Final Design and Construction phase.

NEWER BUS FLEET PROVIDES BETTER SERVICE

As Angeles County residents began to reap the full benefits of the RTD's bus fleet modernization program in FY 82 in the form of better bus service and greater vehicle reliability.

With the operation of 1,200 Advanced Design buses, there were fewer bus failures and less need for major repairs.

Average mileage between road calls, due to mechanical problems while a bus is in operation, was extended by 7% to 3,350 miles. A new record for RTD. A road call is recorded whenever a service unit is dispatched to an immobilized bus. The reduction in road calls was a major factor in providing better, more reliable service.

RTD was able to record steady improvement in the reliability of its bus fleet, despite operating the largest fleet of air-conditioned buses in the country, and the largest number of wheelchair-lift-equipped buses. Both require extensive maintenance. The District operates a total of 1,370 lift-equipped buses over 142 of its regularly-scheduled routes.

Higher productivity was also registered in both bus and engine overhaul. The production rate for repainting buses was increased four-fold, and the backlog of engines needing overhaul was eliminated.

Significant savings were made and the cost of bus maintenance was budgeted in FY 83 at the same level as in FY 82, in spite of increased costs in parts and labor.

Nearly 800 bus operators received special training in passenger relations, resulting in reductions of absenteeism, accidents and incidents involving passengers.

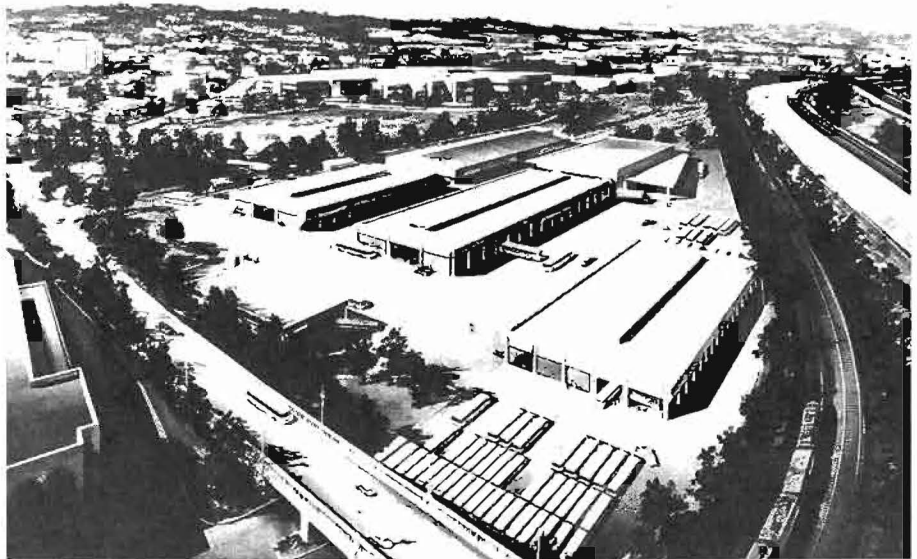
Fiscal Year 1982 was the first full year of operation of the District's 940 General Motors Advanced Design buses. These buses have been relatively trouble-free. All of the District's 230 Grumman Flexible Advanced Design buses were returned to service in FY 82, following major modifications to the frames by the manufacturer as a warranty expense.

The District is continuing to bring new buses into its fleet. In FY 82 it received delivery of 20 double-decker buses, built by Neoplan of Germany. Because these buses can board 82 passengers, they are used on major Park 'n' Ride lines. Operation of these buses contributes to the cost-efficiency of these commuter lines.

The District also has ordered 35 smaller General Motors Advanced Design buses at a cost of \$6 million. These 35-foot buses will be used primarily on lines where the larger standard bus is not suitable because of passenger demand or street conditions. Delivery is scheduled for late 1982.

Plans to purchase 30 small buses, ranging from 23 to 27 feet in length, are also under way. These buses will replace older equipment used on the Downtown Minibus line, and for shuttle service in other areas where dense traffic prevails.

RTD bus purchases are funded by grants from the Urban Mass Transportation Administration and the State of California.



Above rendering shows design of the new RTD Central Maintenance Facility in the proximity of Union Station. Estimated at some \$50 million, construction is scheduled to begin in 1983, with completion in 1985.

Operational Highlights

NEW FACILITIES PROVIDE COST-EFFECTIVE OPERATIONS

The District pressed forward with its facilities improvement program in FY 82, investing some \$25 million in buildings and equipment for maintenance and operations.

These modern facilities are more productive than the obsolete structures they replace, and have been designed to meet environmental standards.

As the fiscal year ended, construction was nearing completion on two important additions to RTD operations in the San Fernando Valley. These are Division 15 in Sun Valley and the new Division 8 in Chatsworth. About 250 buses will operate out of each Division, which replace older, less efficient facilities. Division 15 opened in August, 1982, and Division 8 was scheduled to open four months later.

The master plan for the District's new Central Maintenance Facility was completed, and the process for selecting a firm to perform final design and land acquisition was initiated.

This major facility will be located near the Los Angeles Union Station and is scheduled for completion in FY 84-85.

The District's central maintenance operations are presently conducted in cramped, outmoded buildings at South Park, on East 55th Street.

Design neared completion on a new \$10 million division in East Los Angeles, that will be tailored to maintenance and operation of high-capacity buses.

Design firms were selected for a new \$8 million Division to be built in Carson and for a new \$4.5 million maintenance building at Division 5 in South Los Angeles.

Rehabilitation of the Transportation Building at Division 2, at 15th and San Pedro



Joe Scatchard, RTD Controller-Treasurer, checks operation of new IBM 3033 computer, at the command station of the system acquired in FY 82. All major planning, scheduling, maintenance, payroll and accounting functions will be performed by this new equipment.

Streets, and a major portion of the remodeling work at the Division 12 Transportation Building in Long Beach, are completed.

TECHNOLOGY IMPROVES PERFORMANCE

The use of new technology, as a means of providing better, more cost-effective bus service, is an area in which the District holds a lead position in the transit industry.

The RTD is embarked on a long-range program to upgrade its operational data systems. This program is based upon extensive studies by its own data processing team, with the assistance of Arthur Young & Co.

A key phase of this major computerization program was initiated in FY 1982 with the introduction of its Vehicle Management System (VMS).

One of the most important features of VMS is its ability to record, store, retrieve, and report a constantly updated maintenance and service log on each of the District's buses. VMS is expected to result in major cost savings and improved bus service at reduced overall maintenance costs. The importance of this program is underscored by the need to maintain 2,400 buses, which accumulate approximately 100 million miles of service each year.

VMS is based on information fed into the District's new central computer from each maintenance station. Mechanics insert data by using their identification card in an electronic badge reader. The new system automatically sets the preventive maintenance schedule for each bus.

VMS is being installed at all District maintenance divisions, with full operation due in January, 1983.

Additional new automatic data systems for the District include programs for Materials Management, Payroll, Planning and Scheduling, Purchasing and Accounts Payable, and Human Resources Information Management.

The District's experience with its San Fernando Valley pilot program for the Computerized Customer Information System (CCIS) has proved so successful that it will be expanded District-wide. With CCIS, information operators at the RTD Customer Information Center will be able to obtain immediate responses to questions on bus routing, schedules and fares. Without CCIS, operators must refer to bulky directories to find the requested information.

The District's switchboard, one of the largest in the nation, employs 90 operators to answer approximately 10,000 calls requesting information each day.

Financial Highlights & Notes

Because available subsidies did not keep pace with rising costs, the District was forced to raise fares at the outset of FY 82. The result was a significant decline in ridership, mostly by passengers making long trips to work and those taking very short trips for convenience. Unfortunately, lost ridership was not regained, as occurred in previous years when fares were increased. Consequently, passenger revenues fell short of expectations by \$15 million.

Fortunately, the District recognized the problem early enough in the fiscal year and started a series of service cuts in September of 1981. This helped to reduce costs to a manageable level. Lower costs than anticipated for diesel fuel and insurance also helped the District balance its budget.

Operating costs for the year were \$362 million, up 8.7% from the previous year. Three categories accounted for 96% of total costs. Wages, salaries, and fringe benefits represented 74%; fuel, tires and bus repair parts, 16%; and casualty insurance, 6%.

Farebox revenue covered 44% of operating costs, a figure significantly higher than that of most bus operators west of the Mississippi River. The balance was provided by tax-based subsidies consisting of 33% from state sales tax receipts, and 17% from

the federal government. Interest earnings on short-term investments provided 4.7%, and other income items contributed 2%.

Capital expenditures in FY 82 totaled \$57 million. This covered the purchase of 20 new double-decker buses, a major portion of the costs to build two new operating divisions in the San Fernando Valley, land for a major new central maintenance facility, and Preliminary Engineering expenses for the Metro Rail Project.

During the year the District was active in the financial markets, adding to its revenues by aggressively investing its surplus cash and by taking advantage of the Economic Recovery Tax Act of 1981. Under the latter program, the District sold 770 of its buses to the Border Pipe Line Company, a subsidiary of ARCO. The District leased back the buses and received a one-time cash payment of \$3.8 million, which will be used in part to purchase capital assets in the future.

Entering the new fiscal year, a year of significantly lower fares and resulting increased ridership, the District finds itself in good financial condition; it has a modest debt structure, a fleet of buses in good condition, a pay-as-you-go capital investment plan, and a small surplus from FY 82 operations to help defray operating costs in FY 83.

Southern California
Rapid Transit District

Annual Report 1982-1983



President's Letter

Cal Year 1982-83 was a period of exceptional accomplishment at the Southern California Rapid Transit District. Ridership reached an all-time high. Major progress in productivity, safety and reliability was recorded.

One of the most important accomplishments of all was the concerted action by thousands of citizens which enabled Los Angeles to acquire funding from a budget-conscious Congress to begin construction of the RTD Metro Rail.

Both Houses of Congress voted to appropriate \$117 million, one of the highest sums ever awarded to a U.S. city in a single year for new rail transit construction. Start of construction in 1984 of Metro Rail—the beginning of a 150-mile rail transit network throughout Los Angeles County—is now virtually assured.

Winning Congressional approval of a project such as Metro Rail in today's political and economic climate was not an easy task. The outcome confirms the validity of the Metro Rail project as being the most cost-effective in the nation, and is a tribute to the non-partisan manner in which public officials, business leaders and concerned citizens worked side by side.

It would be impossible to express appreciation for all who worked so effectively on behalf of Metro Rail. Senators Pete Wilson and Alan Cranston wholeheartedly and diligently garnered support in the State. Governor George Deukmejian, Lt. Governor McCarthy, Mayor Tom Bradley, the entire Los Angeles City Council, the Los Angeles County Board of Supervisors, the overwhelming majority of the Los Angeles County Congressional delegation, the California Congressional Delegation, and the Transportation Subcommittees of Congress are all due much credit.

In addition, approbation is due the Los Angeles Transportation Task Force, the Los Angeles area Chamber of Commerce, the Central City Association, the Wilshire Chamber of Commerce, the West Los Angeles Chamber of Commerce, the Hollywood Chamber of Commerce, the Chambers and support groups in the San Fernando Valley, and numerous other civic, religious and commercial organizations.

Never before has Los Angeles displayed such unity in its support of high-speed, high-capacity rail transit, further demonstrated by the thousands of concerned citizens who attended more than 100 public meetings conducted by the RTD to obtain public commentary on the project.



Michael W. Lewis
President
Chief Deputy to and Appointed by Supervisor Pete Schabarum

To all of these groups and individuals, plus all others who have given so freely of their time and energies, I express on behalf of the Board of Directors, and the men and women of the RTD, our heartfelt appreciation.

Concurrently, the RTD also was busy providing bus service to more than 415 million boarding passengers—a new annual record. Another record was set when RTD recorded over 1½ million boardings in a single weekday, the highest one-day ridership in District history.

Our average weekday ridership increased over 17% in FY 83, due mostly to the 50-cent base cash fare initiated in July, 1982, along with the new half-cent sales tax under Proposition A. This burgeoning ridership demonstrates the demand for transit service in Los Angeles County when the quality and cost of service provide a sensible alternative to the expense of operating an automobile. It is for these same reasons that more than 360,000 riders will travel via Metro Rail by the year 2000.

With patronage of our bus system increasing constantly, we are operating nearly all available buses. In 1984 we will face the challenge of providing bus service for the thousands of tourists who will flock to Los Angeles in mid-year for the Olympic Games. Our Executive Staff is deeply involved in preparing for this event. We expect as many as 300,000 additional riders per day during the Olympics. Our receipt of more than 400 new buses on order is expected in time to place them in service for the Games.

The RTD is becoming a truly multi-modal transit agency. In addition to Metro Rail, numerous other rail lines, including the proposed Los Angeles-Long Beach light rail line, will be constructed over the coming years.

Expanded use of operating express buses on free-ways, including the Century Freeway, is also in the works. The RTD already has the distinction of being the nation's largest all-bus transit agency. In terms of total passengers served, it ranks third after New York and Chicago. Based on the nation's shifting demographics, and forecasts by the states of California and New York, the population of the Los Angeles urbanized area will overtake New York's in just a few years. Already it is ahead of the Chicago area. This is why the RTD is working so hard on future public transit systems.

FY 83 contained a note of sadness, however, with the sudden death on June 29 of Thomas G. Neusom, the dean of the RTD Board of Directors. Mr. Neusom, who served as President of the Board for three terms, made a tremendous contribution to public transportation in Los Angeles County. Since his appointment to the RTD Board in 1969, he occupied a leading role in effecting important transportation improvements. He will be sorely missed, and the tradition he helped establish of bettering public transit for all classes of people, commuters, senior citizens, students, handicapped persons, and minorities is a legacy we intend to uphold.

Respectfully,

Michael W. Lewis

General Manager's Letter

The 1983 Fiscal Year, as never before, was a period of transition for the RTD. With the 1980 passage of Proposition A, and its validation by the State Supreme Court on April 30, 1982, the one-half-cent sales tax became effective on July 1, 1982.

The new tax was used during FY 83 primarily to reduce the RTD base fare to 50 cents. The result was an increase in ridership by the end of the year of almost 200,000 additional boardings each weekday for an average of 1.35 million passengers per weekday. That increase in ridership greatly exceeded our plans and expectations.

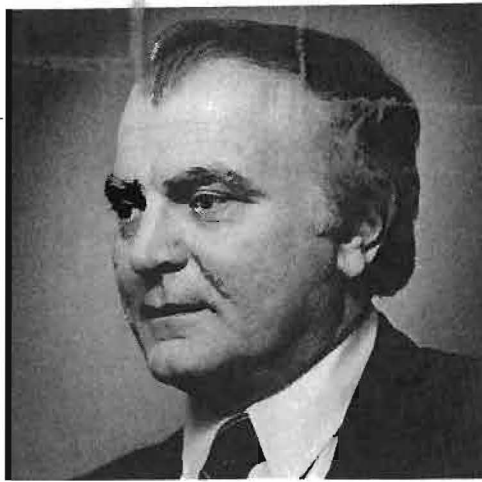
The success of the 50-cent fare resulted in a number of problems for the RTD. For example, buses began to be seriously overcrowded. As an additional 150 buses were put on the streets, they also rapidly became overcrowded. Operators experienced a number of additional on-street problems as did street supervisors, transit police, schedulers, planners, and other persons who work in various levels of the RTD.

In October, 1982, the RTD completed negotiations with all Unions regarding contract matters. In September the RTD did experience a five-day strike, the shortest strike in the last 12 years. By the time all negotiations were concluded, the working relationships between management and union officials were considerably improved, and it appears that the multi-year contracts will offer the opportunity for improved labor-management relations in the future.

During FY 83, a merit pay plan was introduced for all non-contract employees, which is geared to the performance of individuals in their particular jobs or areas of responsibility. The merit pay plan apparently was well received, and seems to offer significant opportunities for improvement in productivity and performance of individuals, as well as a basis for better defining the accountability of organizational units.

In conjunction with the merit pay plan, the RTD introduced for the first time a management-by-objectives budget. The MBO Budget represented a major effort to focus the activities of the District on the achievement of objectives which are measurable and identifiable. The MBO Budget offers great promise in coming years in terms of enabling the District management to gain and maintain control of the costs of operating transit, to evaluate and control productivity of the District functions and responsibilities, and to further improve the merit pay plan as it applies directly to the performance of individuals.

While the MBO Budget and the merit pay plan were being introduced, the District was completing the initial phase of the first Transit Management Information System project, called TRANSMIS-I. This system, when fully implemented, will provide an extensive amount of automated information for improving maintenance procurement, materials management, accounts payable procedures, and a variety of other functions.



John A. Dyer
General Manager

While the day-to-day functions and responsibilities of the RTD are of primary importance to me, the RTD also has additional responsibilities in Fiscal Year 1984, which we began to meet during 1983.

Specifically, the RTD will undertake a major role in providing access to the Olympic Games when the events begin in Los Angeles, in July of 1984. In order to provide major transit service during the Olympic Games a separate MBO Olympics Budget document was completed. During FY 84 the Olympics Budget will be translated into specific operating plans and schedules, and all preparations for the Olympics Transit Service will be completed. It is a major undertaking in which as many as 300,000 daily riders will use up to 500 special RTD Olympics transit buses. Also, as many as 300,000 additional riders are expected on the RTD regular service during the Olympic Games.

While bus operations were being pressed to their limits, management changes were being introduced, and Olympics transit planning was underway, the RTD was able to complete on schedule its Preliminary Engineering Program and environmental documents for the Metro Rail Subway starter line. Also, RTD was able to begin its continuing Preliminary Engineering and should be in a position to receive a federal commitment to begin final design and construction of the system in 1984. This progress has come only after an enormous effort on the part of Board Members, the private sector, numerous public agencies, including the City and County of Los Angeles, and the staff and consultants of the RTD. Everyone involved is to be commended for their efforts.

It is clear that today there are a number of "windows of opportunity" that the RTD locally can move through to better define and establish its current activities and its future. Some of the activities in FY 83 may have significantly improved the opportunities in 1984 and in future years. To take advantage of these it does mean providing careful attention to the transit environment locally, to policy-making, to organizing to achieve objectives, and to the operations and development activities of the District.

In FY 83 it has been clear that progress and improvements are not made by implementing the "do nothing" alternative. We must continue to focus on specific policies, objectives, and goals in an environment of change. It means, as never before, leadership on the part of the policy makers, managers, supervisors, operators, maintenance persons and others. It means coming to grips with the specific problems that exist locally and at the state and federal levels. It means avoiding counter-productive local disputes.

There are no magic solutions. If we are to carry over 1.5 million passengers daily on the RTD before the end of FY 84, and prepare to carry as many as 300,000 other persons during the Olympic Games in 1984, it will require a lot of hard work. FY 84 will not be an easy one for the employees of the RTD no matter what their assignments. But it will be an exciting one and one in which there is an enormous opportunity for continuing improvements.

Sincerely,

John A. Dyer

Executive Staff

During Fiscal Year 1983 District operations were under the direction of the following full-time executive staff:

John A. Dyer
General Manager

Samuel Black
Manager of Operations

Helen M. Bolen
District Secretary

Robert J. Murray
Assistant General Manager—Transit Systems Development

Richard Powers
General Counsel

John W. Richeson
Assistant General Manager—Management

Joe Scatchard
Controller—Treasurer—Auditor

Jack Stubbs
Acting Manager of Planning & Marketing

Marvin D. Williams
Assistant General Manager—Equal Opportunity

Robert Williams
Manager of Customer Relations

Anthony Fortuno
Director of Marketing & Communications

Operational Highlights

New Ridership Record Set

The RTD served more passengers than ever before in Fiscal Year 1983 and set new records in efficiency and productivity.

Stimulated by the 50-cent base fare established by Proposition A, ridership reached an all-time annual record of 415 million boardings, over 61 million more boardings than the previous year, and 26 million more than the earlier record of 389 million riders set in FY 81.

The highest single day's ridership in the RTD's history occurred on June 20, 1983, when 1,518,000 boardings were recorded. Since RTD bus fares were sharply reduced July 1, 1982, ridership has increased by almost 200,000 boardings a day.

As a result, all of RTD's regularly scheduled bus lines experienced increased ridership during peak and off-peak hours and this growth was sustained through the early summer when ridership usually begins to decline.

District management was able to serve this unprecedented demand in public transportation within its budget, while at the same time improving efficiency and performance as measured by established industry standards.

As an example, the operating cost per passenger boarding decreased to 94¢ from \$1.01 a year ago. Another measure showed that RTD buses carried 61.8 passengers per vehicle service hour, as compared to 53.7 passengers a year ago.

To meet the dramatic increase in patronage, RTD deployed about 150 additional buses during weekday rush hours in the past year. If demand rises, more buses are planned on selected lines to alleviate overcrowding.

New Bus Facilities Heighten Service Efficiency

In FY 83 the District continued its long-range program for achieving higher performance by upgrading its bus fleet and operating facilities. As a result, within two years RTD will have one of the most modern transportation and maintenance



Alex K. Lopez
RTD's 1982 Operator of the Year

operations of any public transit agency in the nation. Almost all of RTD's transportation and maintenance facilities, some dating to the era of street cars, will have been replaced or refurbished. This building program got underway in 1974 and will be capped by the opening of RTD's new central maintenance facility in mid 1985.

RTD plans to invest an estimated \$186 million in bus purchases and construction of new maintenance facilities over the next two years, which will result in better service for bus riders and more efficient operations. Some 80% of the cost of these capital projects will be financed by federal grants.

Following is a summary of the major improvements the District has made during the past two years and a description of building projects that were started during FY 83:

- Two new \$15 million transportation and maintenance divisions, opened in the San Fernando Valley during FY 83, alleviating the pressing need for more space to maintain buses serving this key sector.

RTD's new Sun Valley Division 15 is located on a 20-acre site in the East San Fernando Valley at the intersection of Branford Street and Glenoaks Boulevard. It replaced a temporary leased bus yard in Sun Valley.

RTD's Chatsworth Division 8 is a similarly constructed modern facility, located on 18 acres in the West San Fernando Valley at Canoga Avenue and Nordhoff Street. It replaced a 5½-acre bus yard in Van Nuys that was severely overcrowded.

Each new division can provide for the daily maintenance and storage of up to 250 buses and is outfitted with the latest maintenance equipment including computer systems that keep track of service work on individual coaches and parts inventory.

- A new bus operating facility in Pomona Division 16, opened during FY 83 at Mission and East End Avenue on a leased 3-acre site, formerly a truck sales and service lot. Some 100 buses, including RTD's fleet of 22 double-deck buses, are deployed from this yard to serve the Pomona and San Gabriel Valleys and downtown Los Angeles.
- During FY 83 plans were finalized and construction started for a new South Bay bus operating division to be built on 15 acres of vacant land bordered by Figueroa Street, Broadway, Griffith Street and Dominguez Channel in Carson. The \$15 million pro-

ject should be completed in mid-1984. It will provide for the daily storage and repair of up to 250 buses and replace a leased 8-acre facility at 190th Street and Harbor Freeway in Torrance.

- A new 15-acre bus operating division, now under construction in East Los Angeles on Mission Boulevard just east of Macy Street is scheduled to open in June 1984. The \$11 million facility will accommodate 250 standard buses or 175 high capacity articulated buses, to serve downtown Los Angeles.

- Final work on a new \$450,000 West Los Angeles Transportation Center is underway. The 1-acre facility, scheduled to open in October 1983, is located adjacent to a Caltrans maintenance yard beneath the Santa Monica Freeway on a triangular lot bounded by Fairfax Avenue, Washington Boulevard and Apple Street. This facility will serve as a central transfer point for 13 RTD bus lines and one line operated by Culver City Municipal lines.

- A similar project scheduled to open in May 1984 is RTD's LAX Transit Center, which will serve as a transfer point for seven RTD bus lines and three municipal bus lines at a 2-acre facility near the airport. Estimated cost of this project is \$500,000.

- RTD also is refurbishing three bus operating divisions in Los Angeles. One is a new \$5 million maintenance center under construction at RTD's Division 5 located at Van Ness Avenue and 54th Street in Central Los Angeles. Another project is a \$1 million transportation building under construction at RTD's Cypress Park Division 3 located at the intersection of Idell Street and Avenue 28 in Los Angeles. The third is a major structural rehabilitation of the Maintenance Building at Division 2 located at 15th and San Pedro Streets.

- Within the past two years, a new maintenance center also was constructed at the Cypress Park division. During this period, RTD also completed a new transportation building at Alameda Division 1, and remodeled the transportation buildings at Long Beach Division 12 and Los Angeles Division 2.

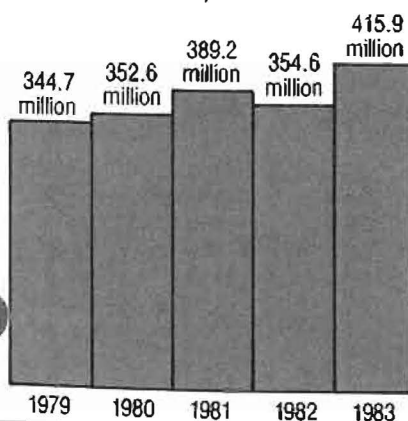
By far the most important of the District's capital projects is the new \$72 million central maintenance facility that will be built on 31 acres, northeast of downtown Los Angeles in an industrial area north of Macy Street between Vignes Street and the Los Angeles River.

The facility will replace the present RTD maintenance yard at 55th and Avalon Streets in South Central Los Angeles built 70 years ago to service street cars.

The new site will feature 280,000 square feet of space for shops where RTD will perform major overhauls on buses, plus 86,000 square feet of storage space for spare parts. Plans also include a staging area for 50 to 60 buses to serve downtown Los Angeles during rush hours.

Final design plans for RTD's new central maintenance facility will be completed during the first half of FY 84. Construction will then get underway, and the long-awaited opening of this vital facility is scheduled in mid-1985.

Annual Ridership



The sharp difference in annual ridership over the past two fiscal years demonstrates that the 50-cent base fare in FY 83 was a major factor in the significant gain of bus patrons. In FY 82 the base fare was 85 cents.

Operational Highlights



RTD double-deck buses are used primarily to provide weekday express service to commuters between San Gabriel Valley and downtown Los Angeles via the El Monte Busway along the San Bernardino Freeway.

482 New Buses To Enhance Fleet

In April of 1983 RTD ordered 415 new standard-size 40-foot buses from Neoplan USA, at a cost of \$74.4 million, the second largest new bus order in District history.

These buses, costing \$179,000 apiece, will be used to replace older coaches in the RTD fleet and to help the RTD serve its record ridership and increased service needs during the Summer Olympics.

Each of these new coaches will seat 42 passengers and is accessible to wheelchair patrons. The new

buses feature roomy, padded seats, air-conditioning, tinted windows and power steering. Delivery is expected to start in December of 1983.

Following this important bus purchase, RTD in June placed a \$3.8 million order for 32 new 30-foot buses manufactured by Carpenter Body Works of North Vernon, Indiana. These buses will replace older coaches RTD presently deployed in downtown Los Angeles, Westwood and Pomona, and used on routes where it is difficult to operate larger buses.

Each of the \$118,750 vehicles can seat 27 passengers and is accessible to wheelchair patrons.

In January, 1983 RTD put 35 new intermediate-size General Motors buses into service on seven lines serving the San Gabriel Valley, East Los Angeles, Glendale, and the Hollywood-Silverlake area.

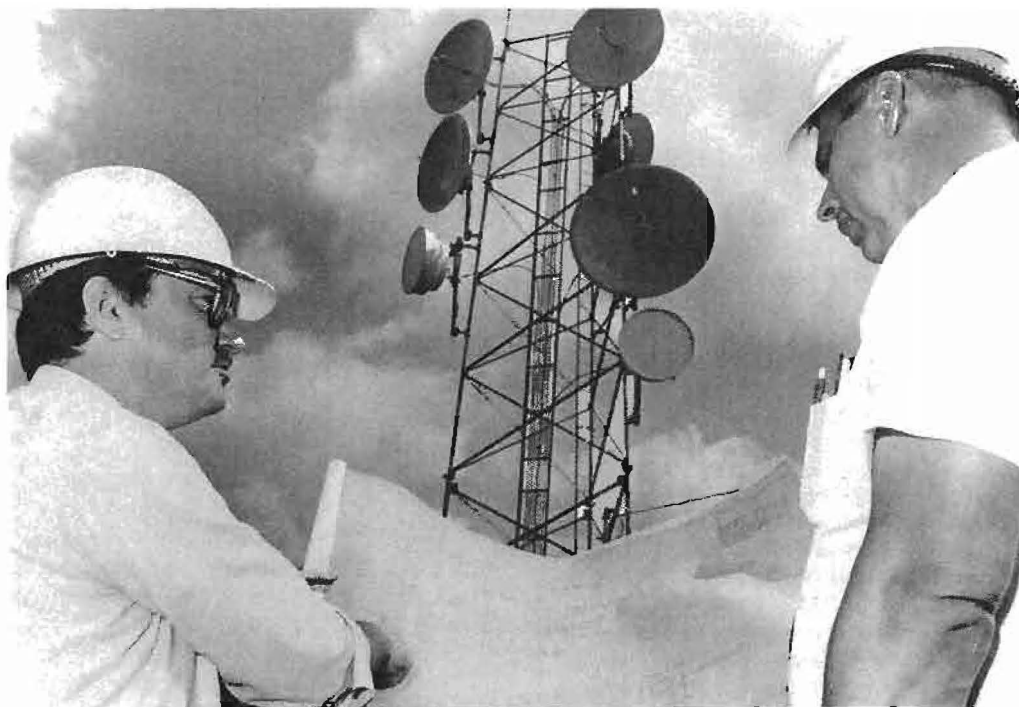
The new advanced design buses, purchased for \$6.1 million, are 35 feet long and replace other intermediate buses that are being retired from service. Each new bus seats 35 passengers and is accessible to wheelchair patrons.

Some 1,400 District buses are equipped with wheelchair lifts, that are accessible to the physically handicapped. Accessible service is operated on more than 150 RTD routes, and will be expanded when the 447 Neoplan and Carpenter buses are delivered. Nearly three-quarters of RTD's active fleet will then be accessible to wheelchair patrons.

RTD operates a diverse fleet, with equipment ranging from small buses to double-deck buses to meet the varying demand for public transportation in Los Angeles.

Small buses are generally used as shuttles in downtown Los Angeles and Westwood, while the 22 cost-saving, double-deck buses ferry weekday commuters between the populous San Gabriel Valley and downtown Los Angeles via the 11-mile RTD-El Monte Busway along the San Bernardino Freeway. Each of the West German imports seats 82 passengers, 39 more than a new standard-size bus.

Another high-capacity coach that has even greater potential in RTD's future is the articulated bus that bends in the middle. These coaches can carry more than 100 passengers, seated and standing. RTD presently operates 30 articulated buses on Hollywood and Wilshire Boulevards, and is planning to purchase an additional 10 used articulated buses from Golden Gate Bridge, Highway and Transportation District in San Francisco.



RTD supervisors inspect District's new microwave telecommunication system. Voice and digital data are transmitted by radio signals to and from RTD headquarters via live mountaintop microwave relay stations throughout the county. The one shown is above Rio Hondo College.

Operational Highlights

The workhorse of RTD's fleet continues to be the General Motors RTS-II bus. The District purchased 940 of these advanced design coaches in 1980. The \$146 million purchase was the largest single order for public transit buses in U.S. history and greatly upgraded RTD's service.

RTD, however, experienced a temporary problem in FY 83 with its Grumman Flexible coaches due to severe gear train failures. RTD has operated 230 of these advanced design buses since 1980 and found they have been subject to a number of design and mechanical defects.

Most of these have been corrected by the manufacturer. RTD has been negotiating with Grumman Ohio Corporation, the Flexible Corporation and the federal Urban Mass Transportation Administration to resolve the latest difficulties.

At the close of FY 83, agreement was near on replacing the engines, air-conditioning units and radiators on all 230 Grumman Flexible 870 buses by Spring of 1984, in time for the Olympics.

New Computer Systems Streamline Bus Maintenance

RTD is among the public transit industry leaders in employing new computer technology to provide better service at reduced cost.

Between 1981 and 1986 the District will have invested some \$37 million in computer systems to automate its major maintenance and scheduling operations.

After full implementation of RTD's Transit Management Information System (TRANSMIS I), the District

expects to recover its original investment within three years, and realize significant cost savings thereafter.

A key element in this endeavor is the Vehicle Management System (VMS), which is vastly improving RTD's ability to keep track of service performed on all buses in its active fleet, resulting in reduced costs and greater bus reliability.

During FY 83, VMS terminals, connected to a central computer at District headquarters in downtown Los Angeles, were installed at every RTD maintenance division. Now employees feed data on mechanical work for each bus into the computer, which also automatically tracks costs and sets preventative maintenance schedules for buses.

In FY 83 the District completed plans to expand TRANSMIS I to its inventory, purchasing, accounts payable, general ledger, project control and contract administration functions. Full implementation is due by the Fall of 1984.

Over the next two to three years, plans call for applying this latest technology to planning, scheduling, personnel, payroll and other departments.

Computers are also helping the public get information on RTD service. Computer-assisted RTD telephone information operators can answer calls faster and provide more details than is possible manually. For the past three years, RTD has employed this technology for San Fernando Valley route information. The District is now expanding its Computerized Customer Information System (CCIS) to cover its entire service area. The program should be fully implemented in 1985.

Olympic Service Plan Features 500 More Buses

Not for almost 30 years, since the Olympic Games were held in Melbourne, Australia in 1956, has a city without rail transit hosted the Olympics.

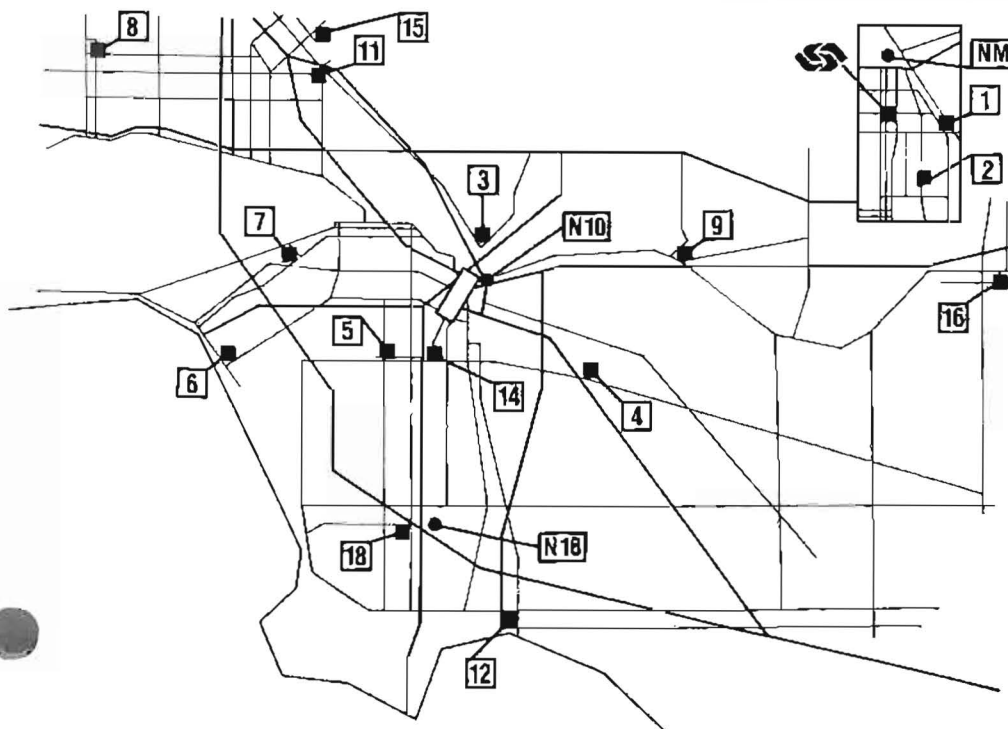
As a result, public bus transportation will be of critical importance in contributing to the success of the XXIIIrd. Olympiad in Los Angeles. Millions of spectators are expected to board RTD buses for travel to and from venue sites throughout Los Angeles County.

At the close of the fiscal year RTD plans called for assigning some 500 buses to operate special Olympic bus service. The District estimates it will record 3.5 million boardings on this service during the 16 days of ceremonies and sporting events, which begin July 28, 1984. The RTD Olympic service to be operated is separate and in addition to regular service, and will concentrate on providing express travel and shuttle service to major venue sites.

The RTD service plan is designed to carry up to 40 percent of the spectators attending major events at sites such as the Coliseum.

Proposed one-way fares for this premium Olympic service range from \$2 to \$6. A \$10 daily pass, good for all RTD Olympic service and regular bus service will be available.

The special service will be funded through farebox revenue, supplemented by revenues from special Olympic-oriented marketing programs.



RTD Divisions

- RTD Main Office:** 425 S. Main St., Los Angeles
- 1 Alameda Division:** 1016 E. 6th St., Los Angeles (on 6th between Central & Alameda St.)
- 2 Los Angeles Division:** 720 E. 15th St., Los Angeles (East 15th St. & San Pedro St.)
- 3 Cypress Park Division:** 630 W. Ave. 28, Los Angeles (Ave. 28 & Idell St.)
- 4 Downey Division:** 7878 Telegraph Rd., Downey (Slauson Ave. & Telegraph Rd.)
- 5 South Central Division:** 5425 Van Ness Ave., Los Angeles (Van Ness Ave. & 54th St.)
- 6 Venice Division:** 100 Sunset Ave., Venice (Sunset Ave. & Pacific Ave.)
- 7 West Hollywood Division:** 8800 Santa Monica Blvd., West Hollywood (Santa Monica Blvd. & Palm Ave.)
- 8 Chatsworth Division:** 9101 Canoga Ave., Chatsworth (Canoga Ave. & Nordhoff St.)
- 9 El Monte Division:** 3449 N. Santa Anita Ave., El Monte (Santa Anita Ave. & Ramona Blvd.)
- 11 Reserve Fleet Location:** 11409 Penrose St., Sun Valley (Penrose St. & Tujunga Ave.)
- 12 Long Beach Division:** 970 W. Chester Pl., Long Beach (W. Chester Pl. & Fairbanks Ave.)
- 14 South Parks Shops:** 361 E. 55th St., Los Angeles (55th St. & San Pedro St.)
- 15 San Valley Division:** 1190 Branford St., Sun Valley (Branford St. & Glenoaks Blvd.)
- 16 Pomona Division:** 1551 E. Mission Blvd., Pomona (Mission Blvd. & East End Ave.)
- 18 South Bay Division:** 777 W. 190th St., Torrance (190th St. & Harbor Fwy.)
- N10 New Los Angeles Division:** 10 to be established by June, 1984 at 742 N. Mission Rd., Los Angeles.
- N18 New South Bay Division:** 18 (Move planned by June 1984 to 450 W. Griffith St., Carson)
- NM New Maintenance Facility:** (Planned for 1985 at Union Station, 900 Lyon St.)

To provide bus service throughout the District's 2,280 square-mile service area, major transportation and maintenance divisions are operated by the RTD throughout Los Angeles County, as depicted above. Construction of new facilities, underway since 1974, will result in having one of the most modern public transit operations in the nation within the next two years.

Metro Rail Highlights

Groundbreaking Set For June of 1984

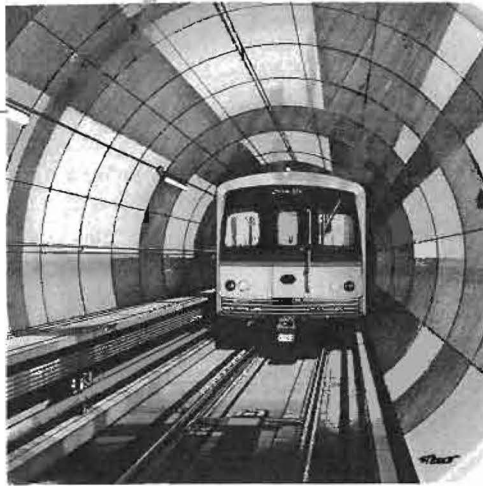
President Reagan signed historic legislation August 15, 1983, earmarking \$117.2 million in federal funds to start Metro Rail construction in the summer of 1984. Never before has the federal government funded rail rapid transit construction in Los Angeles. Never before has the need been so critical.

The 18.6 mile Metro Rail subway, linking downtown Los Angeles with Hollywood and North Hollywood via Wilshire Boulevard, will serve one of the most dense employment and residential corridors in the nation. Today RTD buses carry more than 190,000 passengers daily on 12 bus lines operating in the Wilshire Corridor.

Metro Rail will be the starter line and backbone of a 150-mile regional rail network that Los Angeles County voters supported in November 1980, when they approved a local half-cent sales tax to improve their public transit system.

RTD will break ground on this vital transportation improvement next June on a 40-acre site just east of Union Station in downtown Los Angeles, where construction will not cause any traffic disruption during the Olympics. This will be the site of the Metro Rail central maintenance yard and shops, where 130 modern rail cars will be stored and serviced. The trains are designed to operate at high speed between downtown Los Angeles and North Hollywood in 34 minutes.

Next fall RTD will start construction on the first of 18 planned Metro Rail stations. Groundbreaking will begin at the historic Union Station, where plans call for a multimodal transportation center to serve



Rendering of RTD Metro Rail subway train similar to those operating in Washington, D.C., and Atlanta. Each car will be 75-feet long and 10-feet wide, and can accommodate up to 170 patrons with 76 seated.

Amtrak and Metro Rail trains and buses. Construction of a portion of the tunnel alignment from Union Station to 5th and Hill Streets is also scheduled to get under way in late 1984.

FY 84 Federal Funding Set at \$117.2 Million

Several major funding milestones were reached during Fiscal Year 1983. The first breakthrough occurred in April 1983 when the federal gasoline tax was increased five cents. A penny of this tax, generating \$1.1 billion in annual revenue, was set aside in a mass transit trust fund to finance new rail starts, to refurbish existing rail systems, and to help public transit districts throughout the nation buy new buses. It is known as the Surface Transportation Assistance Act. Soon after its enactment, the RTD joined with a bipartisan coalition of local public officials and private sector representatives to testify before the House and Senate appropriation subcommittees on transportation. They declared that

Metro Rail is the most cost-effective new rail start in the United States and that funding should be provided.

Local officials noted that the Los Angeles urbanized area, with a population greater than 41 states, and the second most densely populated area in the nation, is by far the largest urban area in North America and the Western world without a rail rapid transit system.

They pointed out that RTD buses are boarding a record 1.5 million passengers a day, up 400,000 in the past year. That increase alone is twice as many riders as Houston public transit carries each day and almost 100,000 more than Atlanta carries daily.

After several painstaking months of maneuvering through the Congressional budgeting process, Metro Rail faced its greatest challenge June 22 when the full House debated more than two hours whether or not to fund the project, the only rail rapid transit system ever debated on the House floor.

California elected officials at the local, state and national level presented a nearly unanimous bipartisan front in support of Metro Rail.

Mayor Tom Bradley, the Los Angeles City Council, the County Board of Supervisors, Gov. George Deukmejian, 15 of 17 Los Angeles area congressional representatives and California Senators Alan Cranston and Pete Wilson actively supported and achieved a resounding victory when House members voted more than 2-to-1 (280-139) to appropriate \$127.5 million for Metro Rail construction in FY 84.

In August a compromise funding level of \$117.2 million was agreed upon by a joint House and Senate conference committee as part of the overall FY 84 federal Transportation Department appropriations bill, subsequently signed into law by President Reagan.

State & Local funding

While federal support is paramount, Metro Rail could never be built without substantial matching contributions from state and local government and the private sector. During the past year, RTD received important commitments from these sources.

Construction of the project will cost an estimated \$3.4 billion. This includes a seven percent inflation factor. Altogether, RTD is seeking 69% funding from federal grants.

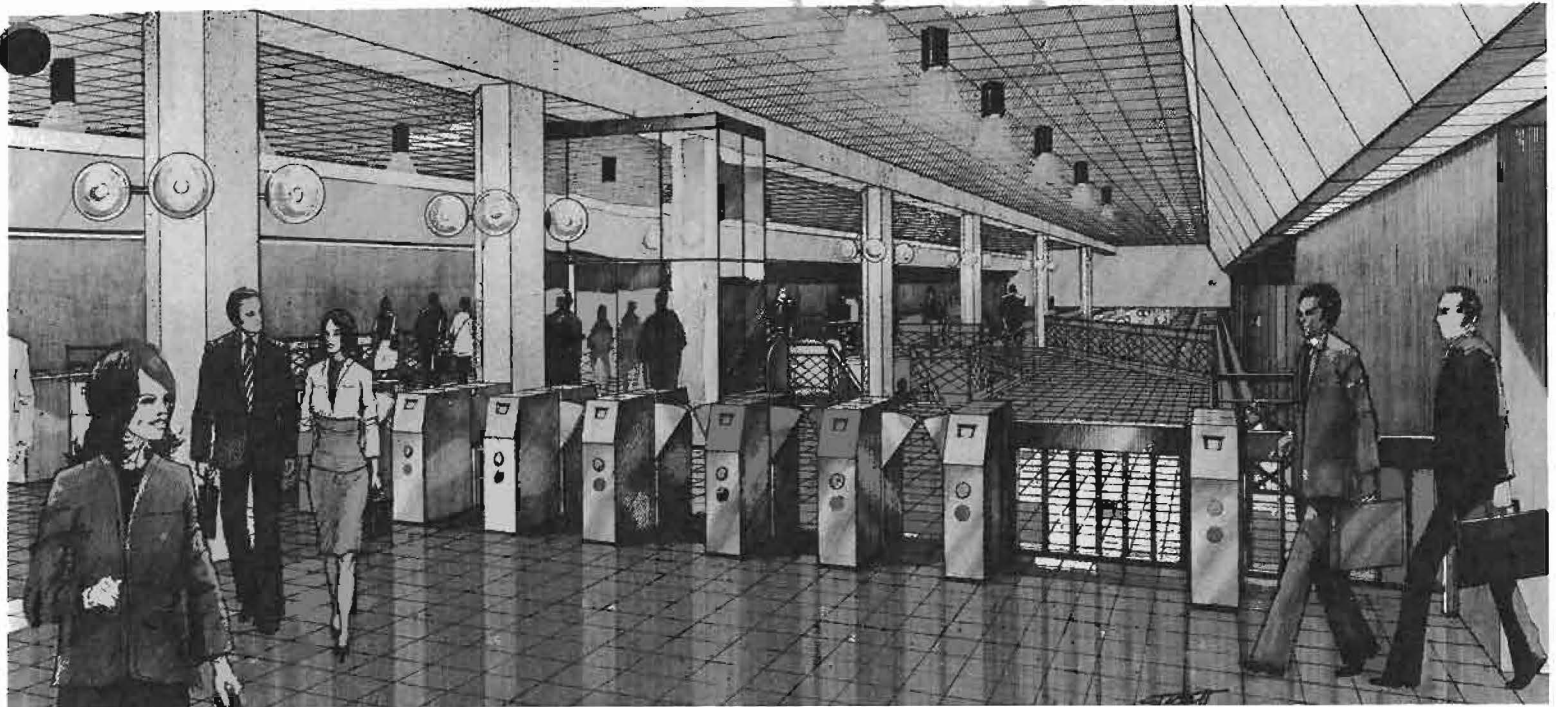
The balance will derive from local sources, including the California Transportation Commission (CTC), which committed to fund \$400 million. The initial authorization was made in September 1982, when the CTC programmed a major portion of this amount from state gas tax funds as part of the federal funding match for Metro Rail.

The CTC decision was validated by its independent analysis of the 69 potential rail projects statewide. The study ranked Metro Rail as one of the 10 most cost-effective and high-priority rail projects in California.



Important geotechnical information required to determine water tables and construction techniques for the RTD Metro Rail project is obtained from soil samples taken from exploration holes such as the one shown above, located at 5th and Hill Streets in downtown Los Angeles.

Metro Rail Highlights



Rendering of portion of Metro Rail station mezzanine. The number of fare collection gates will be determined individually for each station based on projected patronage.

Underscoring the need, the Los Angeles County Transportation Commission is expected to pledge \$400 million in local and state sales taxes for Metro Rail construction.

Private Sector Funding

Total funding for the project also depends on having the private sector invest in Metro Rail.

In a precedent-setting position, the RTD has turned to the private sector to acquire six percent, or \$185 million of Metro Rail's capital costs. Unlike any other public transit district that has built a rail rapid transit system in the last 20 years, RTD is looking for private investments *before* the system is in place, rather than after.

The mechanism to accomplish this has been established by newly-enacted state legislation allowing the RTD Board of Directors to create benefit assessment districts around Metro Rail subway stations as a means of recovering a portion of the economic benefit owners of commercial property in the immediate station areas will realize because of the substantial investment of public funds in the Metro Rail Project.

These benefit assessment districts will be limited to a one-mile radius around subway stations in the Central Business District and a half-mile outside of the downtown area.

RTD intends to bond projected revenue from these assessment districts to enable it to help pay for construction of these stations.

Joint Development

Joint development and value capture strategies also will enable the RTD to generate revenue for Metro

Rail's capital and operating costs. In this vein, the District is working closely with private developers interested in building shopping, housing and office complexes above Metro Rail stations or on adjoining properties.

There are four primary methods for joint development:

- **Connector fees:** A developer pays RTD a fee for having a station entrance linked directly into the developer's building. It can take many forms, for example, direct cash grant, percentage of income, or a capital offset.
- **Capital offset:** A developer building in conjunction with Metro Rail's timetable can pay for part of a station when building his own development, for example, the station entrance, or part of the station itself.
- **Land/air rights leases:** To construct the rail system, RTD will have to acquire many parcels of land. When the system is complete, RTD can lease or sell that land, or the air rights, to generate income for Metro Rail. This may be a one-time payment, or a long-term agreement.
- **Joint ventures:** This fourth method allows RTD to acquire property for the purpose of constructing a station, then allows a developer to construct a facility, such as a shopping center or office building above, or adjacent to the station. A partnership is formed between the private and public sectors in which both partners share in the profits of the new development.

Preliminary Engineering Completed

Preliminary engineering was concluded shortly after the close of FY 83, with approximately 30% of the station and tunnel design work completed. But the pace never slackened as Metro Rail staff and consultants advanced into the continuing preliminary engineering phase.

RTD received a total of \$38,843,000 from combined federal, state and local tax monies to complete preliminary engineering. An additional \$52,083,000 has been earmarked for continued preliminary engineering.

Eighteen architectural and engineering firms in the past year were selected by the RTD Board of Directors to bring design work on segments of the project to between 50% and 85% completion, a level necessary to meet the construction timetable.

To expedite the design program, RTD contracted with Metro Rail Transit Consultants (MRTC), a joint venture of four consulting firms that have been involved in Metro Rail from the start of preliminary engineering.

In addition to handling some of the important design projects, MRTC is serving as the general engineering consultant to oversee and coordinate all other design work during continuing preliminary engineering. The MRTC firms are:

- Harry Weese and Associates
- Daniel, Mann, Johnson & Mendenall (DMJM)
- Parsons, Brinckerhoff, Quade and Douglas (PBQD)
- Kaiser Engineers, Inc.

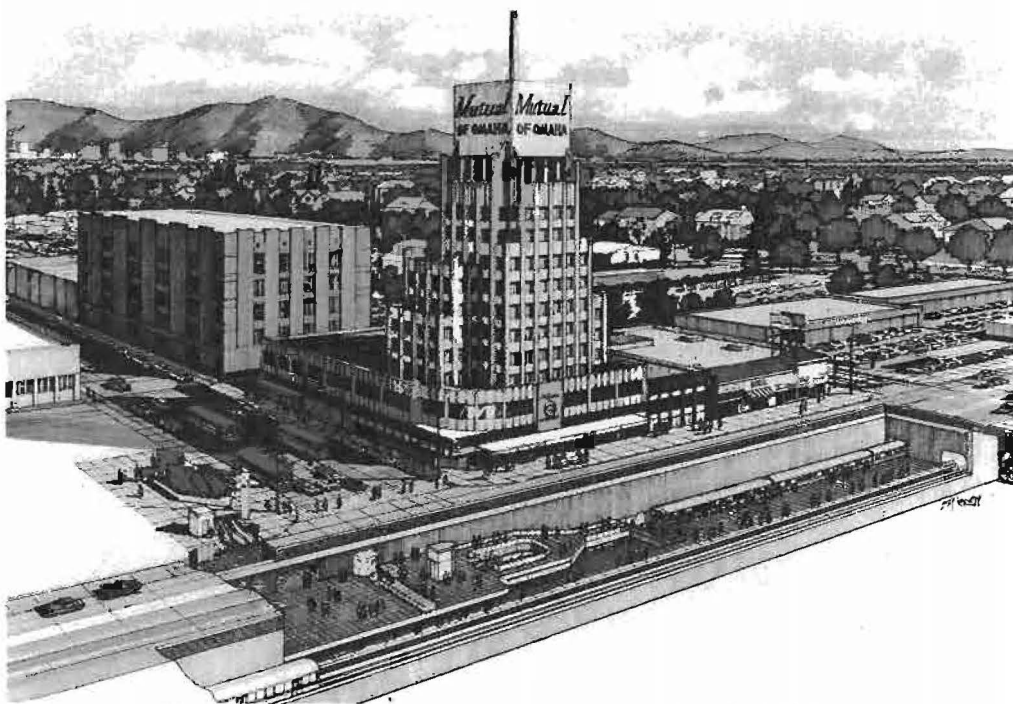
Harry Weese and Associates, responsible for station architectural design during preliminary engineering, is engaged in further design work on Union Station.

DMJM and PBQD, which did preliminary engineering work on ways and structures, is now preparing detailed plans on the central yard and shops, as well as the tracks leading to Union Station.

Metro Rail Highlights



Rendering of Metro Rail station at platform level. The 450-foot platforms accommodate up to a six-car train. Escalators, stairs and elevators are included in the design of each RTD station.



Rendering of the RTD Metro Rail subway station at Wilshire Boulevard and La Brea Avenue. More than 7,000 daily passenger boardings are projected for this station when service begins in 1990.

Kaiser Engineers was under contract for subsystems during preliminary engineering.

As the District gears up for construction, the Metro Rail staff was increased in FY 83 and will top 110 positions by June 1984. Twenty-four prime consulting agencies now augment the work of RTD engineers and technical staff. These firms bring expertise to the project acquired in designing and building modern rail systems throughout the world.

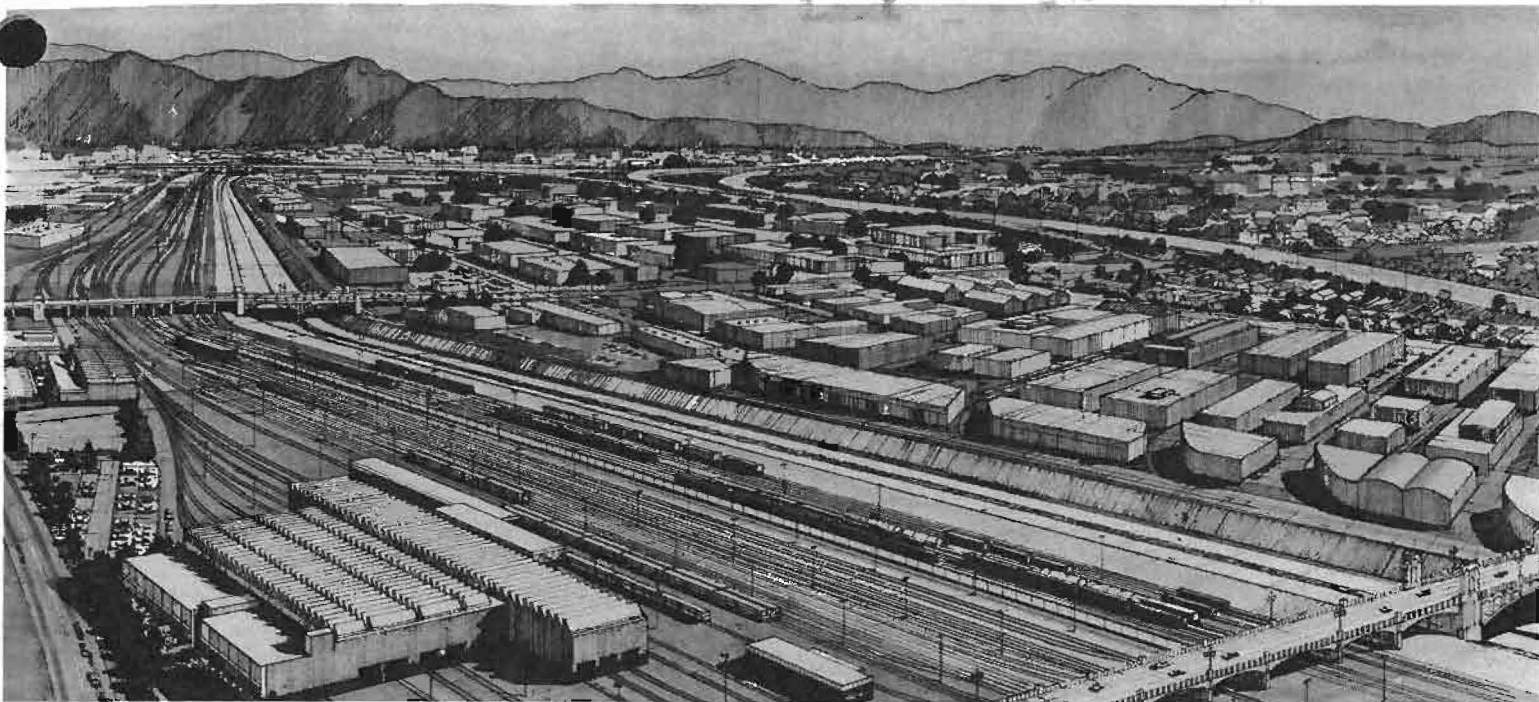
During FY 83 the District hired Robert J. Murray as the new RTD Assistant General Manager for Transit Systems Development. Murray supervised the completion of Baltimore's Metro Rail system from preliminary engineering through construction and start-up. That project is scheduled for revenue operations in November 1983.

Community Participates In Decision-Making

Metro Rail has undergone more public scrutiny than any other rail rapid transit system built in the nation during the past decade. The District actively sought participation of all Los Angeles residents during preliminary engineering when RTD directors relied heavily on community input before adopting policies for the following 12 important decision points or Milestones:

1. Preliminary System Definition & Operating Plan
2. System Design Criteria
3. Route Alignment & Alternatives
4. Station Locations & Alternatives
5. Right-of-Way Acquisition & Relocation Policy

Metro Rail Highlights



Rendering of RTD Metro Rail storage yard and maintenance shops on 45-acre triangular site, bordered by the Los Angeles River, Santa Fe Avenue and Sixth Street.

6. Development & Land Use Policy
7. Safety, Security & System Assurance Plan
8. Systems and Subsystems Configuration
9. Supporting Services Plan
10. Fixed Facilities Plan
11. Cost Estimate
12. System Plan

To date, approximately 10,000 interested citizens have voiced their views at more than 100 ongoing community meetings held along the proposed alignment in downtown Los Angeles, Wilshire and Fairfax, Hollywood and North Hollywood.

Responding to special concerns on how Metro Rail would impact Hollywood and North Hollywood, RTD in September 1982 created two special citizen advisory committees representing a broad cross section of these communities.

RTD staff worked closely with the advisory groups, who established their own criteria for considering various alternatives for advancing such community concerns as the economic revitalization of Hollywood and preserving natural and cultural resources in North Hollywood. A trip to San Francisco was arranged so that volunteers could see firsthand a modern mass transit system in operation.

Subsequently, RTD directors adopted many of the advisory groups' suggestions including their recommendation that Metro Rail be all subway in their communities.

The public review process was capped in July when more than 1,000 persons attended public hearings on the Metro Rail Draft Environmental Impact Statement/Report.

Over 200 people testified at the eight public hearings and voiced their views on the environmental, social, and economic impacts of Metro Rail in Los Angeles County. Of those who testified 88% were in favor of building the project as soon as possible; 31 out of 32 elected officials expressed similar support.

RTD directors are expected to adopt the final EIS in December of 1983. That document, as part of RTD's formal grant application, will then be submitted to the federal Urban Mass Transportation Administration. Once UMTA approves this package, the \$117.2 million Congress earmarked for the start of the Metro Rail construction next summer can be released.

Ridership Projections

An estimated 268,000 riders a day will travel on Metro Rail when revenue service for the entire 18.6 mile line begins in 1990. By the year 2000, Metro Rail patronage is expected to reach 363,137 daily riders.

RTD's Metro Rail ridership figures were developed in conjunction with the Southern California Association of Governments and Caltrans. Information used in the computer models also included input from the U.S. Census Bureau, Los Angeles County Transportation Commission, Orange County Transportation Commission, Orange County Transit District and other area operators.

The following is a list of projected average daily ridership at each of the 18 planned Metro Rail stations:

	Year 1990	Year 2000
Union Station	18,766	22,953
Civic Center	13,982	20,352
5th & Hill	33,972	44,356
7th & Flower	27,332	32,254
Alvarado	29,444	41,345
Vermont	27,601	36,610
Normandie	8,951	12,611
Western	17,980	25,109
Crenshaw	10,324	13,169
La Brea	7,653	11,327
Fairfax	14,556	19,762
Beverly	6,676	10,140
Santa Monica	11,666	16,920
Sunset	5,716	8,388
Cahuenga	9,132	14,002
Hollywood Bowl	3,140	4,440
Universal City	11,940	17,463
North Hollywood	9,330	11,936
TOTAL	268,161	363,137

Southern California
Rapid Transit District

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RTD Bus Fleet

The District in FY 1984 maintained 3,426 buses to provide service in a 2,280-square mile area consisting of Los Angeles County and parts of Orange, Riverside, San Bernardino, and Ventura counties. The area has a population in excess of 10 million. During peak hours an average of 2,060 buses were in service. Of the total buses in inventory, 822 were in a reserve fleet; of these, 589 were scheduled for use during the 1984 Los Angeles Olympics. Of the active bus fleet, 1856 are lift-equipped to provide accessible service to the handicapped. Types of buses in the District's active fleet include:

Advanced Design Buses (ADB)	
40-foot	1,584
35-foot	35
Standard Buses (40-foot)	820
Standard Intermediate Buses (35-foot)	41
MiniRide (30-foot)	62
Articulated (bend-in-the-middle) Buses	40
Double Deck Buses	22
Total Active Fleet	2,604

RTD Personnel

Operators	
Full-time	4,807
Part-time	940
Mechanics and Maintenance Employees	1,989
Clerks	738
Other Employees	1,380
Total Employees	9,854

The total number of employees in FY 1984 included some full-time and part-time temporary workers hired in support of the 1984 Olympic Games.

Bus operators, schedule checkers, schedule makers and traffic loaders are members of the United Transportation Union (UTU).

Mechanics are members of the Amalgamated Transit Union (ATU).

Most RTD clerks are members of the Brotherhood of Railway, Airline and Steamship Clerks (BRAC).

The District's police are members of the Transit Police Officers Association (TPOA).

Security guards are members of the Teamsters.

Managers, supervisors, and other administrative and technical staff are non-contract personnel.

Metro Rail

During FY 1984, the District continued its planning and pre-construction activities on Metro Rail, the 18.6-mile subway system that will connect downtown Los Angeles and the San Fernando Valley via the Wilshire and Hollywood areas.

Federal support for the project was demonstrated during FY 1984 when the project was cited in a federal study as number one on the list of new rail projects nationwide, and ranked number two as the most cost-effective mass transit capital improvement project in the nation. On the financial side, the Urban Mass Transportation Administration (UMTA) awarded \$105 million to the RTD to continue design, acquire real estate, and provide construction management services.

Local funding was also being committed. The State of California, through the California Transportation Commission, confirmed its earlier pledge of some \$400 million. The Los Angeles County Transportation Commission (LACTC) pledged \$412 million during the fiscal year. At the start of the FY 1985 fiscal year, the City of Los Angeles approved a \$69 million commitment. All necessary non-federal levels of government have committed to the project.

FY 1984 drew to a close while the RTD was awaiting a federal pledge to begin construction. UMTA advised that due to funding constraints, the District should examine a four-mile portion of the 18.6-mile route as a starter line. Known as Minimum Operable Segment-1 (MOS-1), this portion of Metro Rail will provide service between Union Station and Wilshire Boulevard at Alvarado Street. Following acceptance of environmental documents by the federal government and initial federal construction funding approval, ground-breaking for the subway can take place in mid FY 1985.

Southern California
Rapid Transit District

Annual Report 1984-85



President's Letter

The single year in RTD history has been more fruitful than Fiscal Year 1984-85. The long-term results from actions taken during this period of dynamic transition likely will have a telling impact on transit development in the Los Angeles urban area through the end of this century and beyond.

RTD faced a series of formidable challenges during the 1984-85 fiscal year that spanned the gamut from serving the XXIIIrd Olympiad in Los Angeles to winning critical Congressional votes on the District's Metro Rail subway.

This was also the third and last year of the Proposition A fare reduction program, during which bus ridership surged 41 percent, far outstripping the expectations of all transit officials. Despite record ridership, the District maintained a fiscally conservative stance on expanding service to minimize the impact of reducing service when fares were raised July 1, 1985.

When the base fare was raised from 50 cents to 85 cents, there was great concern expressed by seniors, disabled persons, students and others. In order to temper higher fares for these riders, the District enlisted support from our transit funding partners, the 84 cities and the unincorporated areas of Los Angeles County. The cities and county share an estimated \$75 million annually in Proposition A tax dollars dedicated for local transit improvements.

To date, 24 cities and four of the county supervisorial districts are subsidizing RTD monthly passes, primarily for seniors and disabled persons. The City of Los Angeles, alone, is contributing \$3 million over the next two years in this effort.

For the first time since 1969, the District negotiated new contracts with its major labor unions without a strike and entered a new era of labor stability. In the long run, this may prove to be the most beneficial action that occurred in FY 84-85.

In addition, there were other extremely important events this past year including the Olympics and Congressional debate on Metro Rail.



*Nick Patsaouras
President
Consulting Electrical Engineer
Appointed by Supervisor Michael Antonovich*

The people of Los Angeles, as well as the national press, acknowledged RTD performed a significant role in ensuring the success of the summer Olympic games in Los Angeles. RTD special Olympic buses transported more than 1 million boarding passengers to Olympic events.

RTD's 550 Olympic bus fleet amounted to creating from scratch the fourth largest public transit district in California just to operate for 16 days. More than 1,000 workers were engaged in staging this service, which varied each of the 16 days of the Games depending on how many events were scheduled.

The proposed Los Angeles Metro Rail subway took a significant jump toward becoming a reality as Congress earmarked \$117 million in FY 85 for Metro Rail construction. The last hurdle may soon be cleared if Congress appropriates the remaining construction funds and the District negotiates a funding agreement with the federal Urban Mass Transportation Administration. That agreement would guarantee more than \$600 million in federal gas tax funds to construct the first 4.4 mile segment of the 18 mile subway that eventually will link downtown Los Angeles and North Hollywood via the congested Wilshire Corridor.

Metro Rail will serve as the backbone of a 150 mile regional rail rapid transit system approved by voters in 1980 when they endorsed adding an extra half cent to the local sales tax for transit improvements.

In summary, in an era of stable transit ridership nationally, RTD increased its ridership by 41 percent in three years. In an era of labor disputes in Los Angeles, the District settled its negotiations without a strike for the first time in 16 years. In an era of growing traffic congestion and anticipated "gridlock" during the Olympics, RTD provided safe, clean and convenient transit services for more than 1 million fans traveling to the Games. Finally, in an era of compelling need for increased transit capacity, it appears Los Angeles may very well be able to proceed with construction of the Metro Rail system in FY 1986.

Respectfully,

A handwritten signature in dark ink, appearing to read "Nick Patsaouras", with a stylized, flowing script.

Nick Patsaouras

General Manager's Report

There is a certain finality about the conclusion of a fiscal year which ends one program direction and requires an entirely new focus. For better or for worse, that is what Fiscal Year 1985 represents to all professional employees of RTD.

With the end of FY 85, the 50 cent base fare subsidized by the 1/2 percent Proposition A sales tax also concluded. While available sales tax dollars will be less in FY 1986, it is likely that the problems of too much "success" will not go away. Overcrowded buses, indicative of the enormous growing demand for public transit in Los Angeles, and worsening traffic congestion are still with us. To deal with these and other issues will require constructive thought and creative solutions, and a new commitment by the RTD Board of Directors, RTD professionals, and the community-at-large.

In retrospect, FY 85 was a pivotal year for RTD. The Proposition A fare reduction program, which mandated a 50 cent base fare from July 1, 1982 through June 30, 1985, sparked phenomenal ridership growth and created its own set of management problems.

RTD became the fastest growing major public transit district in the nation as ridership grew 41 percent during this period. Average weekday ridership jumped from 1.1 million boardings in June 1982 to 1.7 million in June 1985. Yet, the District added only 9 percent more service, or less than 200 base and peak hour buses, during this period. To alleviate overcrowding, the District transferred buses from lines with lower ridership to those experiencing extremely high patron demand.

In other cities, a fleet of 1,000 or more buses would be used to carry 500,000 to 600,000 riders, which is just the increase in RTD's ridership during the past three years. However, the management approach pursued by RTD should avoid severe cutbacks in service and catastrophic consequences for RTD employees in the transitional period that began July 1, 1985 with the return of the 85 cent base fare. During FY 85, the productivity of the system also changed significantly and the performance of all employees showed great improvement — both desirable objectives for any transit agency.

In order to prepare early for a return to the 85 cent base fare on July 1, 1985, the District moved to boost productivity through automation, curb costs, modernize its equipment and facilities, and negotiate new labor accords.

RTD's investment in modern maintenance facilities and equipment has resulted in a 33 percent improvement in service reliability in the last three years. In FY 85, RTD opened two new bus divisions and received 30 additional "miniride" buses. The District also expanded its Transit Management Information System (TRANSMIS). When fully implemented next year, TRANSMIS will provide automated information for improving maintenance scheduling, inventory control,

John A. Dyer
General Manager

planning, bus scheduling, and payroll administration. Thanks to computers, RTD telephone information operators are handling 30 percent more calls than two years ago. For the District as a whole, passenger boardings per employee on an annualized basis have shown a 30 percent increase between 1982 and 1985, from 44,365 up to 57,793.

RTD met another challenge last summer by providing special bus service to the Olympic Games in Los Angeles. The effort took two years to plan and mobilize and required training more than 600 new operators and 450 regular District employees. The 16 day service was an overwhelming success from the standpoint of the community and bus riders who attended Olympic events. Financially, RTD did well but did not break even on all costs even though farebox revenue paid for the cost of operating the Olympic fleet. While costs were well under budget, a shortfall in revenue and ridership occurred due primarily to the late withdrawal of the Soviet Bloc countries from the Games and the recycling of tickets into the Southern California market, resulting in higher auto use and less transit use, overall.

A new spirit of cooperation between RTD and the various local transportation agencies also developed during FY 85. It resulted from the Olympics, Metro Rail, and, above all, the Proposition A funding program. RTD, the Los Angeles County Transportation Commission (LACTC), the City of Los Angeles, and other cities and communities are working more closely together than ever to pool their limited resources in pursuit of a common desire to expand the region's public transportation system.

That spirit of cooperation is internal, as well. It boils down to the fact that we must "do more with less." That's RTD's credo as we enter an era of declining government subsidies for public transit. We maintained that stance last winter and spring in contract negotiations with labor unions representing RTD bus drivers, mechanics and clerks. Union leaders, too, recognized the fiscal plight of the District and the imperative for maximizing efficiency. In this climate of mutual understanding, District management and union

representatives successfully negotiated non-inflationary contracts through June 30, 1988, thus breaking a pattern of debilitating strikes that have virtually paralyzed Los Angeles five times in the last 16 years.

While operating dollars are declining, transit capital for facilities is available to meet the staggering demand for transit in the area. We must take advantage of those capital dollars now or they may be lost forever.

Expansion of transit capacity means building and operating rail transit, finding new ways to improve bus operations, and providing for others to expand their transit commitment, as well. At the end of FY 85, the groundwork has been laid to begin construction of a 150 mile regional rail rapid transit system approved by Los Angeles County voters in 1980 with the passage of Proposition A.

During FY 85, RTD completed design plans for the first 4.4 mile phase of the 18 mile Metro Rail subway and garnered important construction funding commitments at the local, state and federal levels. An important element in that financial package is the unprecedented support pledged by the private sector. Two benefit assessment districts have been approved, one for downtown and the other around the Wilshire and Alvarado Metro Rail station. These assessment districts will raise \$130.3 million for construction of the initial 4.4 mile subway segment.

RTD's "sister" agency, the Los Angeles County Transportation Commission, which sponsored Proposition A on the 1980 ballot, was scheduled to break ground this fall on a 21 mile light rail line from Los Angeles to Long Beach. RTD also should begin construction of Metro Rail in FY 86. Those two projects, along with others, should provide major new transit capacity in the early 1990's. At that point, we will all look back and realize that FY 85 was a pivotal year for improving public transit in Los Angeles.

To deal successfully with the challenges facing public transit in Los Angeles today and in the future, we will need the strength and force that stems from unity and trust. I am confident we will achieve those goals because RTD demonstrated in FY 85 that it is a "can do" organization.

Sincerely,



John A. Dyer

Operational Highlights



RTD transported more than 1 million fans to the Coliseum and other sporting event sites during the 1984 summer Olympics in Los Angeles. Some 550 buses were assigned to special Olympic service, equivalent to creating the fourth largest public transit district in California, to operate for 16 days.

RTD Delivers Gold Medal Performance

RTD didn't win any medals during the summer Olympics in Los Angeles last year but the District made it possible for over 500,000 fans to enjoy the feats of world class athletes without having to compete, themselves, against traffic and parking congestion near the stadiums.

Transportation officials from the city, state and Los Angeles Olympic Organizing Committee are convinced RTD's special Olympic bus service was a critical factor in avoiding potential gridlock and maintaining free flowing traffic around Exposition Park, UCLA and other major Olympic event sites.

RTD transported more than 1 million boarding passengers to and from Olympic events on its special Olympic buses as well as many other spectators aboard RTD regular service. Due to preferential bus treatment near the venues, people traveled there faster by bus than by car with the added convenience of being dropped off right at the door.

But the ease of this operation belies two years of planning and monumental logistics that had to be surmounted.

RTD's 550 Olympic bus fleet was equivalent to creating the fourth largest public transit district in California just to operate for 16 days. More than 1,000 workers were engaged in staging this service, which varied each of the 16 days depending on how many events were scheduled.

Transportation planning for the XXIIIrd Olympiad demanded unprecedented cooperation between RTD and the various state and local traffic agencies. This concerted operation kept traffic on L.A. streets and freeways moving smoothly throughout the Olympics.

The 1984 Summer Games in Los Angeles took place without a hitch thanks in large part to the gold medal performance delivered by RTD and its transit partners.

New Bus Facilities, Equipment Enhance Efficiency

Striving to boost productivity in an era of declining government subsidies, RTD in FY 85 made major investments in modern maintenance facilities and equipment.

Two new RTD bus divisions were opened. The first was Division 10 just east of downtown Los Angeles. It provides much needed layover space for buses near downtown during the off-peak hours and improves RTD's ability to serve East Los Angeles, Watts, Compton, Huntington Park, Lynwood, Long Beach and other communities.

Division 10 is located on a 20-acre site in an industrial area. It can service 250 buses including double-deckers and articulated coaches. Since RTD already owned the land, the cost of constructing the new facility totaled only \$8.3 million, an extremely low figure.

A second new facility is Division 18 in the City of Carson off the San Diego Freeway. It has a similar capacity even though it is situated on 15 acres. RTD's new South Bay bus division cost \$16.2 million, including the land purchase and construction. In both cases, federal funds paid 80 percent and the balance was financed by RTD with local revenues.

Construction of RTD's new central maintenance facility near downtown also got underway in FY 85. It will be one of the most automated bus maintenance facilities in the world when it becomes operational in December 1986.

In FY 85, RTD took delivery of 30 more small buses. RTD now operates a total of 62 of these 30-foot buses, which are 10 feet shorter in length than a standard size coach. Each bus seats 27 passengers and is accessible to wheelchair patrons. The 30 vehicles delivered in FY 85 cost \$3.6 million, financed 80 percent by federal grants and the balance with local monies.

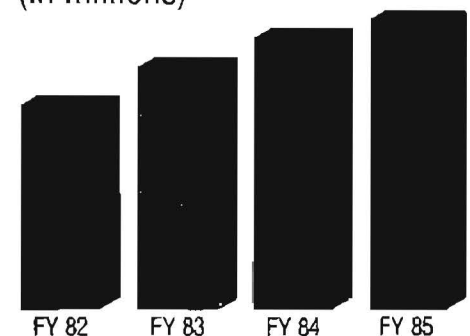
Meantime, in FY 85 RTD also developed plans for purchasing 150 standard 40-foot buses, including 30 powered by methanol fuel. The contract should be awarded in 1986 with delivery of the first regular diesel buses expected by the fall.

RTD plans to conduct the largest test of methanol buses of its kind over a 24 month period. In another experiment for reducing air pollution, the District also is working on a joint research project with the state Air Resources Board in testing diesel engine particulate traps.

Among other technological changes advanced by RTD in FY 85, the District expanded its Transit Management Information System (TRANSMIS). When fully implemented in 1986, TRANSMIS will provide automated information for improving maintenance record keeping, materials inventory, planning, scheduling, accounts payable, payroll and other operations.

State-of-the-art technology also is being employed on RTD buses. RTD is outfitting its 2,750 buses with electronic fareboxes that are far more convenient for passengers than the old vault-type fareboxes. They provide better data and control of cash, as well. Similarly, last spring RTD installed 900 surveillance cameras on its buses to deter crime, part of a far-reaching crime prevention program.

Record Bus Ridership (in millions)



RTD Ridership Paces Nation

RTD is among the fastest growing major public transit operators in the nation. In FY 85, the District carried a record 497 million boarding passengers, an increase of 32 million over FY 84. A new single day ridership record of 1,790,000 boardings also was set on May 28, 1985. In addition, RTD pass sales reached an all time high during May 1985, when a total of 109,162 regular monthly passes were purchased by riders.

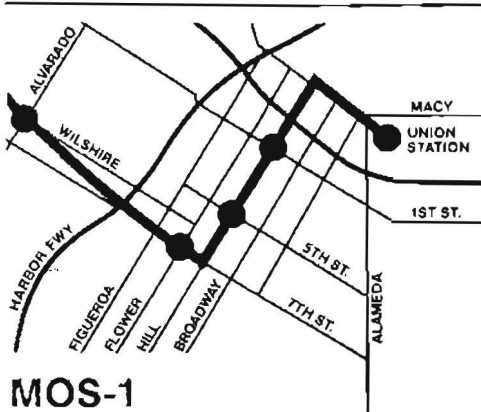
The Proposition A fare reduction program, which established a 50 cent RTD base fare for three years between July 1, 1982 and June 30, 1985, prompted a phenomenal surge in ridership. Average weekday ridership jumped from 1,078,000 boardings in June 1982 to 1,705,000 in June 1985. Saturday and Sunday ridership during this period showed comparable gains.

Metro Rail Highlights

Progress In Congress

Encouraged by several key events in Congress this past year, RTD officials expect to begin construction of the Metro Rail subway in early 1986.

The 18.6 mile subway, linking downtown and North Hollywood via the congested Wilshire Corridor, is planned to be built in phases. The first segment (MOS-I) is 4.4 miles in length and includes a subway portion connecting five stations starting at Union Station then proceeding through the Civic Center and Central Business District out to Wilshire and Alvarado. A rail yard, maintenance shops and central control facility also will be built during this phase.



MOS-I

Construction of the initial 4.4 mile Metro Rail segment (MOS-I) starting in downtown Los Angeles could begin in early 1986, pending federal funding approval. Five subway stations are planned along the route of MOS-I between Union Station and Wilshire and Alvarado.

In FY 85, Congress earmarked \$117 million for Metro Rail construction. However, the federal Urban Mass Transportation Administration (UMTA) has withheld this entire appropriation and \$12 million previously appropriated in FY 84. It is anticipated that these funds and those earmarked by Congress in FY 86 will be released when Congress completes action on a new transportation appropriations bill and UMTA authorizes construction of Metro Rail.

The Metro Rail Project cleared another hurdle last fall when UMTA approved the Environmental Assessment for the 4.4 mile MOS-I phase and issued a finding of no significant environmental impact for the construction of MOS-I. The Administration had ordered a separate Environmental Analysis for MOS-I after concluding that RTD's grant request to build the entire 18 mile subway system exceeded its current funding authority, which expires at the end of FY 86.

New Funding Plan Submitted

RTD officials estimate construction of the subway's initial phase will cost \$1.25 billion. The federal transit trust fund would pay for 48 percent or \$605 million of this cost under the MOS-I funding plan proposed by RTD. The District already has received \$176 million for the project from this account. An additional \$129 million has been appropriated in FY 84 and FY 85 by Congress but not released by UMTA. With an appropriation of approximately \$117 million in FY 86, the balance of \$183 million would come from future year appropriations. State and local tax dollars and a sizable contribution by the private sector all have been committed. Together, they round out the spending plan.

The unique feature of the plan is that the private sector has pledged to pay \$130.3 million or 11 percent of MOS-I construction costs.

Under a recent state law, the RTD Board of Directors, with significant input from the private sector, established two benefit assessment districts in downtown and in the vicinity of Wilshire and Alvarado to generate this private capital. A single benefit assessment district will encompass a half mile walking distance around the first four stations downtown. The second district envelops the Wilshire and Alvarado station within a one third mile walking distance of the proposed underground facility.

Pending federal approval of Metro Rail construction, owners of some 3,100 parcels of office, commercial, retail and hotel and motel property will be assessed between 30 cents and 42 cents per square foot over the next two decades to redeem bonds totaling \$130.3 million.

All residential property except for hotels and motels will be exempted from assessments, as well as parcels owned and occupied by charitable non-profit organizations and public land in public use.

Subway Rail Yard Property Purchased

As ground breaking for Metro Rail approaches, two significant milestones were achieved in FY 85.

RTD directors on Oct. 11, 1984 approved the purchase of 40 acres of Santa Fe Railway property near downtown Los Angeles that are destined to serve as the site for the subway's rail yard and maintenance shops. After a year of negotiations, the District agreed to pay \$27 million for the land and up to \$16.5 million to Santa Fe in relocation costs.

Design and Construction Plans

On another front, RTD engineers and consultants in the past year substantially completed all design plans for the five Metro Rail stations and tunnels for the first construction phase between Union Station and Wilshire and Alvarado.

In addition, the design of the remaining stations, 14 miles of tunnel, and related facilities was taken to 85 percent of design completion. A construction management team was hired and pre-construction planning has been completed for MOS-I.



The Metro Rail subway station at 5th and Hill Streets downtown will be one of five Metro Rail stations built in the first construction phase.



**Southern California
Rapid Transit District**
Fiscal Reports 1986-1987



President's Letter



It's been an exciting mosaic of triumph, tribulation and reflection at the RTD during the last two years.

Fiscal Year 1987 was a turning point for the RTD in confronting areas that have been of concern to the Board of Directors and in logging achievements that will change the face of transit in Los Angeles into the next century.

In September of 1986, RTD broke ground on the first phase of Metro Rail, the key element in helping to solve the region's worsening traffic problems. This landmark feat came after decades of study and years of confronting and surmounting legislative hurdles.

We are moving forward with the actions necessary to provide the RTD with the blueprint for extensions of the Metro Rail project. Its merger with the Long Beach light rail system will allow us to transport thousands of riders daily.

Bus operations, meanwhile, continued at a peak. District buses carried 450.4 million riders during FY '86, and slightly fewer in FY '87. The measures necessary to maintain high quality service were reinforced during this same period.

RTD and its labor unions teamed to enact programs to combat drug abuse and fight absenteeism. These matters will continue to have the Board's attention. Today, RTD's drug and alcohol abuse policy is one of the most rigorous among transit agencies in the nation.

A thorough examination conducted by an independent safety panel of District safety measures and programs to avoid accidents resulted in a report to the Board documenting what we all believed to be true—that RTD operates one of the safest public transit agencies in the nation.

Achieving these results was especially challenging because of the unprecedented news media coverage the District received during most of FY '87. I can state proudly that our management staff met the challenge and worked even harder to improve the already high standards of performance at RTD.

It was personally rewarding to witness the exceptional enthusiasm displayed by RTD's dedicated employees. They continue to make an admirable commitment to provide an excellent transit system and have once more demonstrated that they indeed do care for the public they serve.

My goal as President of the RTD Board is to pursue those actions that will create a more reliable and efficient means of travel aboard RTD buses. To this end, the RTD Board of Directors will emphasize superior maintenance of its buses, the purchase of new buses, and additional improvements in service to senior citizens and the disabled.

Equally important, we will continue construction of Metro Rail with the same high level of zeal as we have shown since breaking ground.

I'm personally glad to have taken part in the many positive actions that occurred during the past two years. I welcome the chance to continue being involved on behalf of the hundreds of thousands of people who rely on RTD.

A handwritten signature in dark ink that reads "Jan Hall". The signature is fluid and cursive, with the first name "Jan" and last name "Hall" clearly distinguishable.

Jan Hall

General Manager's Report



Many have said that serving the daily transit needs of 1.4 million commuters and getting funding and construction under way on L.A.'s long-sought rail rapid transit system was an impossible task. On September 29, 1986, that goal became reality.

The close of FY '87 marked the conclusion of RTD's two most intensive and productive years. Never in the history of RTD's 23-year existence were the issues as controversial, the challenges as great, the stakes as high and the accomplishments as fruitful.

Boarding 1.4 million passengers each day over a 2,300 square mile area through 81 communities is no easy task. It takes a dedicated team of 9,000 highly trained bus operators, mechanics, service attendants, customer representatives, technicians, supervisors and managers. A desire for excellence is the key ingredient that makes it happen.

For as little as 85 cents, the same regular base fare as in 1982, RTD passengers traveled throughout Los Angeles County and into neighboring counties. More than 430 million trips and almost 2 billion passenger miles per year were recorded. Students, seniors and disabled riders rode at an average cost of as little as 15 cents per ride.

RTD bus operators improved their safety performance over previous years and matched the performance of the large transit systems across the country. At 4.5 accidents per 100,000 miles, riding on RTD remains safer than driving a car.

During the past two years, the public developed a greater awareness and interest in its public transit system. Despite many positive accomplishments, higher public expectations required extraordinary effort on the part of every RTD employee. Management teamed with labor to meet this challenge. As a result, independent audits and reviews by industry experts reaffirmed the outstanding performance of RTD.

In February, 1987, the Board of Directors adopted a Performance Action Plan that focused on 14 objectives. Significant positive gains were made in every area. On-street bus service improved as complaints declined. Management initiated a comprehensive program of counseling, rehabilitation, and enforcement that significantly reduced positive drug tests. A new operator license monitoring program was implemented. Employee absences were reduced dramatically. An Office of Inspector General was established to strengthen external and internal audit capabilities. Through the Performance Action Plan, well over \$1 million was saved in six months.

Cutbacks in public funds required RTD employees to focus on the bottom line. Service was delivered at a reduced cost per service hour during FY '87. At the same time, 90 new lift-equipped accessible buses were placed into service and 297 new buses were ordered.

RTD patrons can anticipate more and better transit service in the future. The beginning of construction on Metro Rail marks the dawn of a new age in transportation for Los Angeles County. But Metro Rail is only part of the story.

During the past two years, RTD built a new bus garage, fully computerized its telephone information system and neared completion of an \$80 million state-of-the-art central maintenance facility in downtown Los Angeles. With robots that paint buses and deliver bus parts to mechanics, the efficiency and reliability of RTD's 2,700 bus fleet will greatly improve.

The pages that follow give only a glimpse of how the employees of RTD have committed themselves to serve the public at the highest level of excellence over the past two years. With continued public support, RTD will take on a more significant role in meeting the future travel needs of the Los Angeles urban area.



John A. Dyer

Operational Highlights

Bus Fares Held To 1982 Level

While most major public transit agencies around the nation charged their riders \$1 a ride or more, RTD kept its base fare at 85 cents, the same level that existed five years ago.

The fare returned to 85 cents at the beginning of FY '86 after RTD riders enjoyed a 50-cent fare for three years. The availability of Proposition A half-cent sales tax transit funds, which made the 50-cent fare possible, was reduced substantially from \$140 million in FY '85 to \$86 million in FY '86. This reduction of \$54 million necessitated returning to the 85-cent fare of FY '82.

Ridership on RTD buses increased dramatically in response to the 50-cent fare, achieving a record-high 497 million passengers in FY 1984-85. Ridership continued at a healthy pace despite the return of the 85-cent fare. In Fiscal Years 1986 and 1987 respectively, RTD carried 450.4 million and 436.5 million passengers on 240 lines. This meant that a solid average of 1.4 million riders took the bus each week-day. Passenger revenues in FY '86 approached the \$200 million mark at \$196.1 million; FY 1987's passenger revenues were \$189,335,000.

To further improve service, RTD restructured bus lines in the San Pedro-Rancho Palos Verdes area of the South Bay; the Ventura Boulevard area, including new service to Cal State University-Northridge and Warner Center; the North Hollywood area, including new service from Van Nuys to Chatsworth and extended service to the Sherman Oaks Galleria; and in the Hawaiian Gardens, Norwalk and Whittier areas of Southeastern Los Angeles.

Keeping in mind the special needs of its wheelchair patrons and senior passengers, RTD published a paratransit directory listing transportation services available to the disabled and to senior citizens throughout Los Angeles County. It was the first directory of its kind published by a major transit agency in the nation. As an added safety measure, wheelchair securement straps also were installed in 1,900 lift-equipped buses.



Ventura Blvd. and Sepulveda Blvd.

Thursday, 8:05 AM

Capital Improvements



A major RTD project came to fruition in FY '87 when the first employees began moving into the Central Maintenance Facility complex at Macy and Lyon Streets near downtown Los Angeles. The \$88 million project features five buildings that have been designed to maintain buses and rail car components well into the 21st century. It allows RTD mechanics to rebuild a bus from the axles up.

Robots paint RTD buses and fetch bus parts for working mechanics. A \$2.2 million exhaust emissions and chassis dynamometer to be installed in 1988 will allow RTD to monitor heavy duty vehicle emissions and conduct air quality research. The only other such system in the country is in San Antonio, Texas.

Several of RTD's 12 operating divisions were improved in the last few years. A major overhaul of downtown Division 1 was completed. Other divisions have been re-roofed, received better lighting and been expanded in the last two fiscal years. The Cypress Park Division received a new parking structure capable of holding more than 200 vehicles.

Ground was broken for a \$3 million parking structure in the City of El Monte that will provide spaces for 563 more cars carrying passengers wishing to use RTD's El Monte Busway. The Busway, which is being extended by Caltrans, can save commuters up to 20 minutes of driving time each day. The additional parking spaces will allow even more riders to take advantage of the Busway.

To provide a more pleasant ride on express lines, RTD placed 90 new buses into service in June of FY 1987 at a cost of \$17.2 million. The \$49 million purchase of 297 more buses, including 30 that will test the feasibility of using clean-burning methanol fuel, will arrive in mid-1988.

Ongoing Programs

Major campaigns were initiated to curb vandalism and absenteeism. Los Angeles Raiders football players teamed with the RTD to deliver the message that vandalism hurts everyone; unions and management cooperated to hold absenteeism workshops. A new drug and alcohol policy was adopted featuring even tougher guidelines than before.

In its program to provide personal immediate service information to the RTD rider, the District telephone information center handled a record 3 million calls in FY 1987, due largely to a \$3.3 million Computerized Customer Information System, the most advanced system of its kind in the nation.

Outstanding Employees Set Standard of Excellence



Yucle Eubanks, 1986



Felix Rubio, 1987

Many RTD employees contributed individual efforts as well, setting an example of excellence for all RTD workers to follow. Yucle Eubanks and Felix Rubio were chosen RTD Operators of the Year for the calendar years 1985 and 1986. Roger Desgroseilliers and Howard Brenchley skillfully guided buses through obstacle courses and precision driving drills to win the 1985 and 1986 annual Bus Rodeos.

Sixteen employees earned cash awards of up to \$1,000 for suggestions that ended up saving RTD a substantial amount of money. A total of \$14,325 was awarded for suggestions that saved the District more than half a million dollars. Two employees—Richard Dimon, who suggested using clone computers and Carlos Fernandez, who invented a battery jumper cart—saved RTD an estimated \$100,000 each.

Five District employees participated in a special promotional campaign called "There's A Lot Riding On What I Do." The program was designed to tell the public, via posted messages on buses, that RTD understands its responsibility to provide quality transportation service. Taking part were Director of Construction for Metro Rail James Strosnider; Mechanic Stanley Kunisaki, Operator Lonnie Anders, Transit Operations Supervisor for Communications Rene Olivo and Supervising Telephone Operator Nadine Triche. These five employees represent a total of 106 years of transit experience.

Employees such as these and more than 9,000 others have kept RTD running for many years. As Los Angeles transit continues to grow in size and importance, so will the roles of the people who make up RTD.

Metro Rail Highlights

Groundbreaking: A Long-awaited Milestone

It was Metro Rail's finest hour. The date was September 29, 1986, at First and Hill Streets in downtown Los Angeles, the site of the future Civic Center Metro Rail station. More than 1,200 people gathered to help celebrate the most significant milestone yet reached in the history of RTD's Metro Rail project: the official beginning of construction.

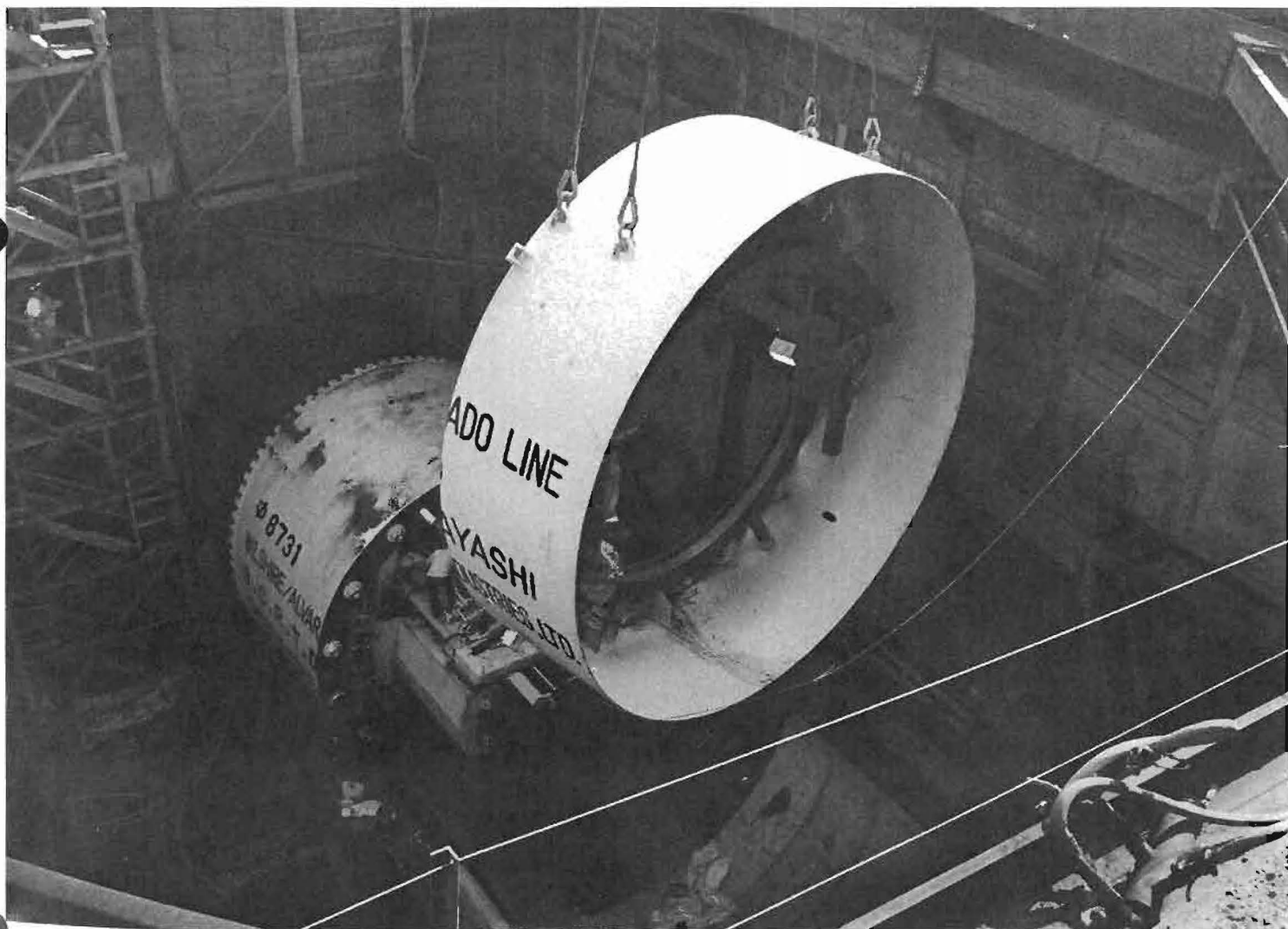
The occasion drew local government and transit officials, invited guests and passers-by. Congratulations abounded for those who had worked on the project during the past 10 years. More than 80 public officials and other key players lined up with shovels to participate in tossing the first dirt into skip loaders.

Those who attended received souvenir mementos plus the opportunity to have their names inscribed permanently on a monument to be erected at the station.

Digging In

Construction has moved ahead swiftly since groundbreaking. RTD planned carefully to assure that Los Angeles' heavy downtown traffic was affected as little as possible. Shortly after groundbreaking, RTD re-routed 33 downtown bus lines to help with traffic flow. The City of Los Angeles also cooperated by making Hill Street, one of Los Angeles' busiest downtown thoroughfares, a one-way street. By opening more lanes during rush hours and working during the lulls, RTD saw to it that traffic would move with a minimum of difficulty.

In the last few months of FY 1987, passers-by and motorists have noticed workmen bustling about at First and Hill Streets, 4th and Hill Streets, 7th and Flower Streets and Wilshire Boulevard and Alvarado Street in downtown Los



Metro Rail, Wilshire Blvd. and Bonnie Brae St.

Tuesday, 2:37 PM



Angeles. Work also has begun on the Long Beach light rail line, a Los Angeles County Transportation Commission (LACTC) project that will join with Metro Rail at the 7th and Flower Street station.

The builders began work on specialized projects inherent in the art of subway construction. Utility pipes, wires and telephone lines are being moved to make room for tunnel digging machines. Care must be taken that water and electricity being carried by these lines to downtown businesses are not interrupted.

Eighty-foot-long soldier pilings are being inserted in the ground to hold up the massive walls of the holes where the block-long underground stations will be built.

When concrete is poured into the 60-foot wide chasm to create the shell of the station, the resulting structure will be as massive as a 30-story building that has been tipped onto its side and lowered into the ground.

The unique nature of Los Angeles' geology created some special problems that RTD engineers had to approach creatively. In FY 1986, a methane gas explosion occurred along the proposed Wilshire Boulevard alignment in the Fairfax District. This resulted in a Congressionally Ordered Re-Engineering Study (CORE) to seek other options to avoid tunnelling through the methane gas area identified by a City of Los Angeles task force. By the end of FY 1987, the public had told RTD which of five alternate alignments it preferred, and an environmental impact statement was being drafted.

Toxic soil was discovered along a portion of the initial 4.4-mile route that will link the yard and shops with Union Station, the easternmost subway station. After careful study, RTD engineers shifted the alignment a few hundred yards. The change will mean a saving of several million dollars by avoiding costly delays.

Groundwater near the Los Angeles River was found to have a strong odor of sulphur. The District agreed to treat the water chemically to neutralize the odor before it is pumped harmlessly into the river.

RTD Clears Funding Hurdles



During the last two fiscal years many formidable financial obstacles finally were cleared. In FY 1986, final approval was given for collection of \$130.3 million in assessments from downtown businesses that will benefit from having Metro Rail near them.

Later in FY 1987, RTD responded to concerns raised by the property owners by postponing collection of the assessment until 1992 when the first segment of Metro Rail is operating.

The trek to procure funding for the first Minimum Operable Segment (MOS-I) began when the House of Representatives' Appropriations Subcommittee on Transportation approved \$130 million in funds. The approval process then moved rung by rung up the legislative ladder until it reached the desk of President Reagan in December, 1985. The President's signature required the Secretary of Transportation to enter into a full funding contract with RTD for the construction of MOS-I. That contract was signed in August, 1986.

Since then, \$870 million more in federal funding has been earmarked for Metro Rail, to be allocated over a five-year period.

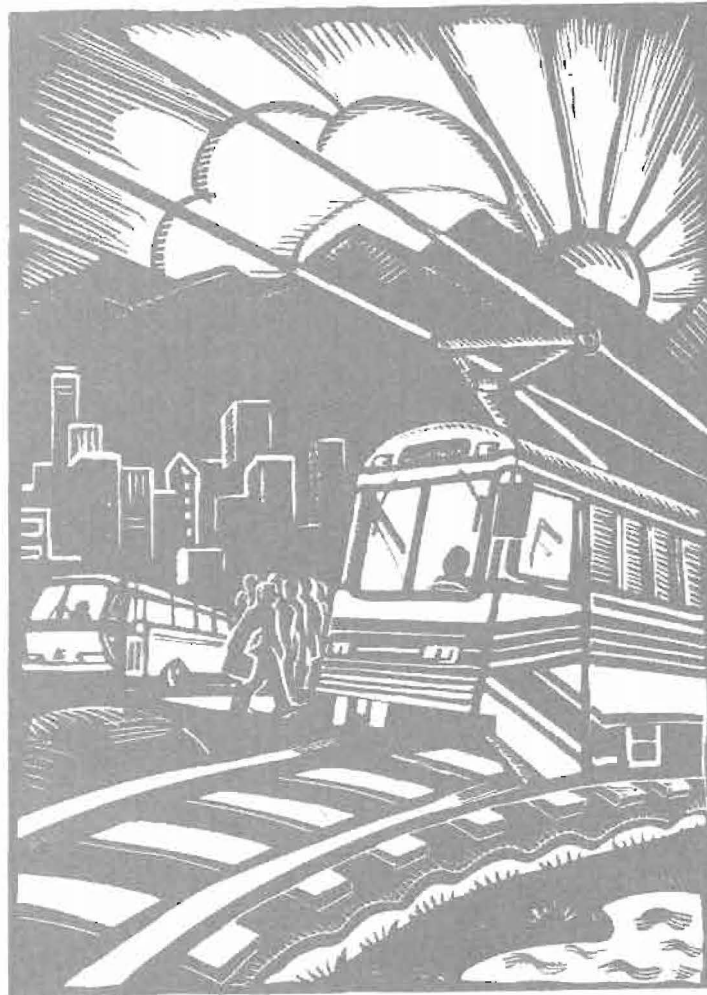
A trend of unexpectedly low bids for Metro Rail construction took shape in FY 1987. By the end of the fiscal year, about a dozen major contracts had been let, totaling almost \$50 million under budget. This positive turn of events was attributed to stiff competition among contractors plus a lull in available construction work.

Looking Down the Tracks

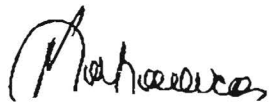
Though people on the street will hardly notice it, huge tunnel diggers will soon arrive on the scene to begin the process of hollowing out the tubes through which the sleek Metro Rail trains will rush. They will operate underground and out of sight. The only clue that big holes are being dug will be truckloads of the excavated dirt being carted away from the sites.

These key achievements of the last two years have paved the way. It won't be long before Los Angeles will see the light at the end of Metro Rail's tunnels.

LA RETURNS TO RAIL 1989-1990 ANNUAL REPORT



The opening of the Metro Blue Line light rail system between Long Beach and Los Angeles highlighted a year during which the District once again demonstrated its national Number One position in cost efficiency and service to its passengers. It was a year of resurgence in transit leadership. Actions were taken to strengthen public confidence in the bus system. This has been achieved. The momentum for better performance at all levels of the District became a reality as RTD met its awesome responsibility of operating the nation's second largest bus system and a new rail system. Every day nearly 2,000 buses and 30 trains are fielded by almost 9,000 dedicated employees — men and women — who take pride in their work. For RTD managers that has meant taking on new ways of doing business. No part of the agency has been immune from change or improvement. As we face the year ahead, my colleagues on the Board of Directors and I intend to make profound and decisive changes to establish the highest possible degree of public confidence. We are performing more like a private corporation and stand behind the service we provide. We have erased the words "it can't be done" from our vocabulary. For more than 25 years, the RTD has operated with one mission in mind — to provide each passenger with safe, reliable, and comfortable transportation, treating each in a courteous and respectful manner. With nearly 1,300,000 weekday boarding passengers, the fulfillment of this mission is no easy undertaking. We recognize that we don't always meet the expectations of our riders, or our own expectations. Nonetheless, we are striving to offer the best service to every passenger on every bus and train. To prove this, we introduced the Transit Rider Bill of Rights. It states that passengers have the right to a safe journey. We are putting that into action with a special task force of uniformed Transit Police officers patrolling selected lines and bus stops. We want to bolster public confidence and attract new riders. The complete text of the Transit Rider Bill of Rights is contained in the Operational Highlights section of this annual report. We are telling our customers, "If our bus arrives 15 minutes or more past the posted schedule, you ride free. Period." Many will say there are risks in this and other new programs we are undertaking. Of course there are. But risk is an integral part of the American way of doing business. We are just beginning programs like these. There will be more, all aimed at emphasizing the District's commitment to providing quality service to our riders. This is my third term as president of the RTD Board of Directors. I served two consecutive terms from 1984 to 1986. The District was a different place then. We were focused at that time on getting funding for the construction of Metro Rail. Today, our efforts are to provide a superior service and the RTD deserves the confidence and support of the populace.



NICK PATSAOURAS

President, RTD Board of Directors



PRESIDENT

D. SASOURIS

CHIEF FINANCIAL OFFICER

CHIEF ENGINEER

ASSISTANT TO THE

PRESIDENT

MICHAEL D.

ANDERSON



During Fiscal Year 1990 the District clearly demonstrated that it was the Number One transit agency in the nation, carrying more people, farther, for less money than any other major urban bus operator in the country. The RTD carried an average of 18.6 passengers per bus at any given time during the day this past fiscal year, one-third more than the national average of the 20 largest major urban bus operators. In addition, RTD buses carried passengers a total of more than 1.6 billion miles a year, farther than any other bus system and even farther than New York City which operates 60 percent more buses than RTD. Each RTD bus produces twice the national average for passenger miles each year. This was accomplished at a cost to the public of 35 cents per passenger mile, the lowest figure of the top 20 operators in the nation. We at the RTD are proud of our leadership position in operating efficiency and recognize that it comes as a result of having both dedicated and proficient employees at all work levels and also having loyal patrons. I am also proud to report that the District received national recognition from the American Public Transit Association, an international organization representing the transit industry. The RTD was honored for its excellence in two areas — the Management Innovation Award for work in clean emissions testing and automated materials planning; and the Minority and Women Advancement Award for outstanding affirmative action programs. This national recognition of the RTD would again not have been possible without employees and managers who are committed to outstanding achievement. On another front, the District's preparation for operating the new Metro Blue Line light rail system increased operating expenses by six percent for the fiscal year to \$565,137,000. Farebox revenues rose six percent to \$239,905,000, maintaining the 43 percent recovery ratio of the last fiscal year. Average weekday boardings during FY 90 slipped three percent to 1,271,000 riders, a trend that has begun reversing itself as we enter the new fiscal year. We continued to get more from our vehicles than other major operators, increasing revenue service miles one percent to a total of 87,652,000 miles for the year, while the maintenance department improved vehicle reliability by 10 percent. Increased emphasis on safety and security by the RTD resulted in an overall decrease in traffic accidents of two percent while employee productivity as measured by reduced absenteeism continued to show a substantial improvement for the year, sustaining a three-year trend. Absenteeism throughout the District dropped 16 percent. The RTD made other kinds of progress during FY 90, sometimes hard to measure in terms of dollars and cents or hours worked. We experienced definite improvement in the condition of the bus fleet both in cleanliness and appearance due to continuing efforts to emphasize the image our buses present. Route modifications ranging from minor schedule changes to adding more buses allowed the District to provide better service in areas of heavy public transit use. In an impressive undertaking, more than 50 of the 213 bus routes operated by the RTD were realigned to serve the Blue Line stations. The investment of public money in RTD facilities continues to result in cost-effective modernization. Four of the 12 divisions in the District were

Alan F. Ray

General Manager

FISCAL YEAR	1990	1989	1988	1987	1986
AVERAGE WEEKDAY BOARDINGS	1,271,000	1,312,000	1,370,000	1,395,000	1,431,000
TOTAL ANNUAL BOARDINGS	401,055,000	411,820,000	424,646,000	436,507,000	450,378,000
ANNUAL PASSENGER REVENUES	\$239,905,000	\$230,859,000	\$187,772,000	\$189,355,000	\$196,142,000
SIZE OF SERVICE AREA (SQ. MI.)	1,442	1,442	1,442	1,442	1,442
NUMBER OF BUS ROUTES	213	212	209	240	240
NUMBER OF BUSES OWNED	2,764	2,569	2,454	2,630	2,787
NUMBER OF PEAK HOUR BUSES	1,858	1,826	1,854	2,107	2,026
AVERAGE WEEKDAY MILES OPERATED	321,397	317,622	330,000	341,363	335,028
ONE-WAY ROUTE MILES	4,780	4,236	4,373	4,992	4,975



The return of rail transit in Los Angeles after an absence of more than two decades capped a year of achievement for the Southern California Rapid Transit District.

Metro Blue Line, the 22-mile light rail system linking downtown Los Angeles to Long Beach, was completed after six years at a cost of more than \$900 million by the Los Angeles County Transportation Commission.

Preparing for operation of the Blue Line and the start of revenue service was a massive undertaking for the RTD. Experienced rail specialists were recruited from throughout the country, top bus operators were trained to operate rail cars, training safety and certification procedures were established.

An intensive six-month-long study and series of public meetings concerning bus service along the corridor of the Blue Line resulted in a plan modifying 52 of RTD's 200 routes. The four-phase plan ranges from minor schedule changes to the creation of new lines to provide bus service for the 22 light rail stations.

Getting the word out to the public about the new RTD light rail service presented a special challenge of reaching an audience along a five-mile-wide corridor of the train route where 40 percent of the population is Hispanic. In an approach unique to public transit, the RTD marketing department distributed 100,000 free informational video tapes featuring the Teenage Mutant Ninja Turtles produced in both English and Spanish to residents along the route.

The opening of revenue service for the Blue Line was a rousing success, with the people of Los Angeles immediately taking to the rails, and the Blue Line into their daily lives. The District carried 70,000 people on its first full day of operation, necessitating operating at seven-minute intervals and deploying 125 employees to assist with crowd control. A total of 140 buses were also used to return people to their point of origin once the trains ceased operation.

First-year ridership predictions of 15,000 daily were achieved in the first week of revenue operation, and the line celebrated its one-millionth rider by the end of six weeks.

In addition to starting Blue Line operations, FY 90 was a year when the District made substantial progress in several major operational areas, including improving the quality of its service and upgrading its bus fleet.

The RTD role as the region's transit system operator was affirmed when it joined with the Los Angeles County Transportation Commission in establishing the Rail Construction Corporation (RCC), turning over responsibility for completing the Metro Rail Red Line subway system in downtown Los Angeles to the new agency.



TOP: THE TEENAGE MUTANT NINJA TURTLES STARRING IN AN INFORMATIONAL VIDEO TAPE ON THE BLUE LINE. IT WAS DISTRIBUTED TO THE PUBLIC BY THE RTD. THE RTD'S EFFORTS WERE REWARDED BY THE PUBLIC ACCEPTANCE OF THE METRO BLUE LINE LIGHT RAIL SYSTEM.



RTD's performance in cost efficiency and passenger service was fully documented by the U.S. Department of Transportation. The Urban Mass Transportation Administration reported that RTD buses carry more people farther for less taxpayer money than any other major urban transit agency in the nation. While that confirmed the efficiency of the District, it also reflected crowded conditions on some lines at a time when the tax subsidy for bus operations is diminishing.

The District has undertaken an aggressive role in tackling two interrelated problems in the region: traffic congestion and air pollution.

In cooperation with the South Coast Air Quality Management District, the RTD, through its Corporate Pass Program, increased its efforts to have employers subsidize the cost of bus passes for their employees. The program registered an impressive 100 percent increase in membership for the past fiscal year for a total of 242 member companies representing some 350,000 employees, of which four percent ride the bus. In FY 90, the annual subsidy rate by employers reached \$5 million. While increased public use of RTD

service alone would vastly improve air quality, the District is taking things a step further.

The RTD is the transit industry leader in clean air research, development, and testing, not only in reducing diesel bus emissions but also in the use of alternative fuels. This past year, RTD put into service the largest fleet of alternative fuel buses in the nation, including 30 methanol powered and 10 compressed natural gas (CNG) buses. Continuing research and development of diesel engine technology, such as use of particulate traps and fuel additives, are resulting in significant emission reductions in the existing diesel bus fleet.

Environmental concerns were the focus of attention by the District's facilities engineering operations for the year. Methanol fueling systems were modified and improved at both the Los Angeles and South Central divisions, while a CNG fueling station was installed at the Sun Valley division. Additionally, a program for upgrading and replacing 180 underground fuel storage tanks at 19 locations was initiated to meet state and federal standards.

The District continued its ongoing efforts to rejuvenate its bus fleet, purchasing 182 new buses last year and improving its ability to refurbish older buses. The "mid-life" operation at the District's state-of-the-art Central Maintenance Facility took 160 buses nearing the end of usable service life, rebuilt them from the axles up and placed them back into service last year at one-third the cost of buying new buses.

THE JULY 14, 1990
OPENING OF THE
BLUE LINE COMMU-
TATION SERVICE
EFFORTS BY THE
RTD TO IMPROVE
IT ON FOR ACTUAL
SERVICE



A second shift was added to increase the in-house rebuilding effort.

As the 1990 fiscal year came to a close, the RTD prepared to embark on the transit industry's most ambitious customer service program ever – the Transit Rider Bill of Rights, a pledge to provide each passenger with safe, reliable, efficient and comfortable transportation; treating each in a courteous and respectable manner.

Included in the Bill of Rights are:

Freedom of Choice

RTD believes that people should be allowed to choose their mode of transportation and that employers should allow employees the option of driving or taking public transit to work. Currently, few companies subsidize employees use of public transit while most subsidize parking.

A Safe Journey

In operating its transit system, whether bus or train, RTD stresses that safety be the primary consideration.

Courtesy

RTD believes everyone should be treated with courtesy and respect while using public transportation.

Convenience and Reliability

The goal is to make sure RTD buses and trains are there when people need them and go where they want them to go, and our pledge is to make every effort to meet published transit schedules.

Access to Transit Stops and Vehicles

RTD is committed to making its buses, trains, bus stops and train stations 100 percent accessible to all passengers, especially seniors and the disabled.

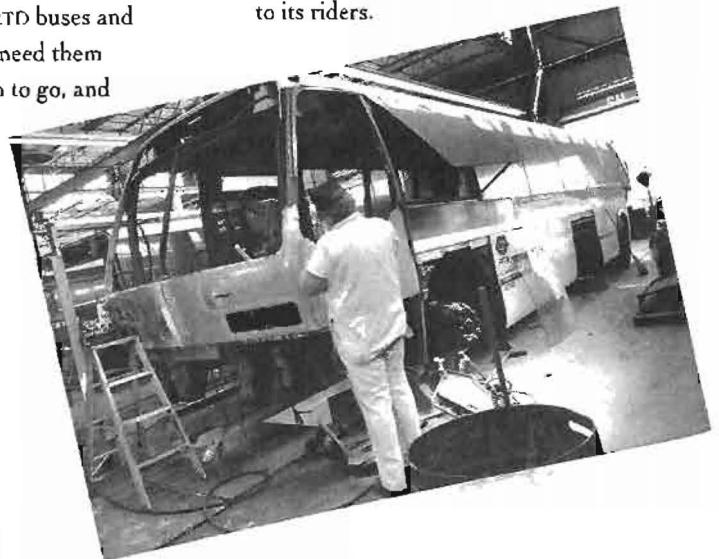
Timely and Accurate Information

Each rider has the right to correct and timely information about transit service and fares, and the RTD will make every effort to inform the public about any changes or other pertinent information.

Quality Service

RTD believes that every rider has the right to expect that buses and trains will be well-maintained, clean, and free from graffiti.

Expanding to include both bus and rail, redirecting its emphasis as the region's transit operator and dealing with ever-increasing pressures to improve efficiency all impacted the RTD during the past fiscal year. The District met the challenges while committing to provide even better service to its riders.



TO THE 201
PRESSED NET (PAI)
GAS TONG BUSES
WERE ADDED TO
THE RTD'S ALTERNATE FUELS FLEET,
ALREADY RECOGNIZED AS THE
LARGEST CLEAN AIR EFFORT OF ITS
KIND IN THE NATION. BELOW,
THE DISTRICT'S "M-P-LIFE"
PROGRAM REFINISHED 160 BUSES
TO LXC NEW CONDITION DURING THE
PAST FISCAL YEAR. ABOVE, THE
CONSTRUCTION OF NEW BUSES.

1964



1989



President's Letter



"We faced major challenges... and were rewarded with success."

The world and Los Angeles were far different places just a quarter of a century ago. In 1964, Lyndon Johnson was President, the Vietnam War was raging in Southeast Asia and anti-war protests began to rock campuses at home.

In Southern California, home of the freeway, it seemed that inexpensive automobiles and cheap fuel were inexhaustible resources. Public transportation was falling further into neglect, continuing a downward spiral that began at the end of World War II less than 20 years earlier.

Fortunately for the region, the state legislature had the foresight to create the Southern California Rapid Transit District. Numerous small and bankrupt transit operators were acquired by the RTD, which became the regional carrier. In the 25 years since the District's creation, the wisdom of this act has been demonstrated repeatedly. It has seen RTD take the lead locally, in Sacramento and in Washington to get the funds to begin a long overdue urban rail system. It has seen the agency respond time and time again when the community called upon it in extraordinary circumstances, be it increasing service during fuel shortages, providing special and excellent service during the Olympics, lowering fares to encourage ridership or constructing the first exclusive busway to speed commuters. Many of the accomplishments of our first 25 years are addressed in this report.

Metro Rail construction in little over three years from its start has progressed extremely well. This quantum leap forward promises Phase 1 in operation by 1993. Its 4.4 miles combined with Phase 2 will connect downtown Los Angeles with the San Fernando Valley, via Vermont Avenue and Hollywood Boulevard, for a total of 18 miles of subway. Metro Rail is the heart of a bus and rail network in the county. With it, we laid the foundation for beginning of a new era in public transportation in Los Angeles County.

We also began assembling staff and testing equipment to be used on the Long Beach/Los Angeles Light Rail Line, which RTD will operate beginning in 1990.

Another major accomplishment has been an aggressive action plan to combat the ever-growing vandalism and graffiti problem. Simply put, vandals and graffitiists are attempting to destroy the taxpayers' bus fleet. Damage to seats, windows and exteriors is running at more than \$800,000 per month. In response, we have expanded our transit police, stepped up bus fleet rehabilitation, authorized rewards for information leading to the arrest and conviction of offenders, launched a statewide effort for laws mandating harsher penalties for vandals and dedicated funds for graffiti removal and prevention.

Transportation management was also a key activity for us this past year. RTD, recognizing that reorganization of the present transit structure is essential, has proposed a solution which will benefit the taxpayers and the people who use transit. The RTD Board is actively pursuing proposed legislation that will cement the District's role as the regional carrier, while smoothly interfacing with local and municipal operators; have the RTD plan,

design and construct an integrated regional bus and rail system, and newly constitute the Los Angeles County Transportation Commission with strengthened oversight, funding and policy roles. Importantly, only elected officials, no alternates, would serve on the commission. Such legislation will improve the decision-making process, eliminate duplication and result in more productivity and cost efficiency.

As we look back on two and one-half decades in the business of transit, RTD clearly gained experience unmatched in this county or the region. We faced major challenges, met them with hard work and dedication, and were rewarded with success. It is not without cause that among its peers across the country, RTD has earned a reputation of being one of the most efficient and safest transit systems. The political and geographic complexity of the region make our hard-earned experience in the field of public transportation complete and impressive.

My colleagues on the Board and all the RTD staff pledge our unwavering commitment to serve the region with the best possible public transportation.

Gordana Swanson
President and Member,
RTD Board of Directors

President Swanson is a member of the Rolling Hills City Council and was appointed to the RTD Board of Directors by the City Selection Committee.

General Manager's Report



"The District put more buses on the street... relieving some of the overcrowding in recent years."

The fiscal year that ended in June of 1989 was a year of accomplishment on many fronts: improving the quality of the ride to our customers by upgrading our bus fleet, combatting the problem of vandalism to the fleet, increasing productivity of our employees, fighting for clean air, operating within budget, and preparing for rail.

Our riders benefitted from the addition of new buses to our fleet and the rehabilitation of old buses to like-new condition. By the end of the fiscal year, a rider's chances of boarding either a new bus or one completely rebuilt by the District's skilled mechanics were approximately one in three.

Unfortunately, some buses, just received from the manufacturer, were attacked by vandals in our yards before they carried a single passenger. The problem of vandalism—ripped seats, etched glass, spray paint and felt tip marker defacing—is costing almost \$10 million a year. In addition to the community and legal actions taken by the RTD Board, District staff increased its transit police to combat the problem, embarked on a program to replace upholstered seats with bonded fabric within two years and assigned more staff to graffiti clean-up.

Employee productivity continued to be a priority concern. According to an outside audit, absenteeism among bus drivers, responding to strengthened management standards, dropped by one-third over three years, resulting in savings of \$8.6 million per year.

Improvements in mechanics' attendance over the same period saved another \$1.4 million per year.

The District's commitment to helping clean the polluted skies over Southern California moved into a new era when in late spring we took delivery of the first of 30 methanol-powered buses. These vehicles will be closely monitored over the next year to determine the feasibility of expanding this cleaner-burning alternative to diesel-powered buses. This year, these buses will be joined by vehicles powered by compressed natural gas (CNG). We are also looking at the possibility of powering vehicles with ethanol, which can be made from grain.

Fiscally, FY 1989 saw a substantial increase in passenger revenue although boardings remained essentially stable. The additional revenues, resulting from a fare increase at the start of the year, meant the District put more buses on the street and ran others more frequently, relieving some of the overcrowding experienced in recent years. The District carried just under 412 million riders during the year.

Higher farebox revenues allowed the District to finish the year with a modest surplus, accomplishing two things: offsetting lower-than-anticipated tax revenues and obviating the need for a fare increase in the new fiscal year.

In marketing, the enactment of measures by the South Coast Air Quality Management District (AQMD) and City of Los Angeles aimed at increasing ridesharing helped boost dramatically the success of the District's Corporate Pass Program. This program, which assists employers in subsidizing monthly bus passes for their employees, offers the attractions of not only complying with the law and helping improve air quality, but of added benefits in a company's

incentive package, reductions in absenteeism and tardiness, and decreased costs of parking for the employee. ARCO, First Interstate Bank, the Los Angeles Times, Pacific Telephone and Union Bank are among the more than 160 firms that have joined the program, open to both large and small employers.

Preparing for the return of rail transit to Los Angeles is yet another challenge that received priority attention. Gearing up for this effort involved hiring rail operations staff from across the country. I am pleased to say that for both the Long Beach/Los Angeles Metro Blue Line project beginning service in 1990 and the RTD Metro Red Line subway which opens three years later, we have been able to attract top managerial and technical talent. We have formed a special unit within the District, the rail activation group, which will assure this new light rail service option will operate effectively with the present bus operation.

Fiscal Year 1989 marked my first full year as RTD's general manager. I believe that I came to one of the finest transit operations in America and my goal is to make it the finest. This past year, the 25th anniversary of the agency, while not without problems, certainly was one of the best.



Alan F. Pegg

25 Years of Service

The Los Angeles of 1964 was a different place. The downtown skyline was yet to emerge. The great waves of immigration from Central America and Asia were not yet underway. Freeways were still being built. No one talked about the possibility of gas shortages crippling the area. Smog was like the weather—everyone talked about it but nobody did anything about it. And public transit was 100% buses, once remnants of the downtown yellow car trolley service ceased operating the year before.

That demise was preceded in 1961 by the death of the Red Cars, which for more than half a century transported riders throughout a 1,000-mile system serving not only Los Angeles County, but east to San Bernardino and Riverside counties and southeast to Orange County.

As with other transit operations around the country, after World War II the private sector in Los Angeles abandoned the operation of buses and trains. In the late 1950's, when the two major private operators made it clear they were closing down, and there were no buyers, the California legislature authorized the creation of the first local public transit agency, the Los Angeles Metropolitan Transit Authority (MTA).

After a few years, however, it was clear the MTA was not structured for the job it had to perform. In 1964, the legislature created a new agency with authority to exercise eminent domain and to build and operate a cohesive regional system: the Southern California Rapid Transit District, known today as the RTD.

Two main tasks were set for the new agency. The first was to combine fragments of a transit quilt that then existed and to serve as the regional carrier for residents in Los Angeles County and parts of Orange, Riverside and San Bernardino counties.

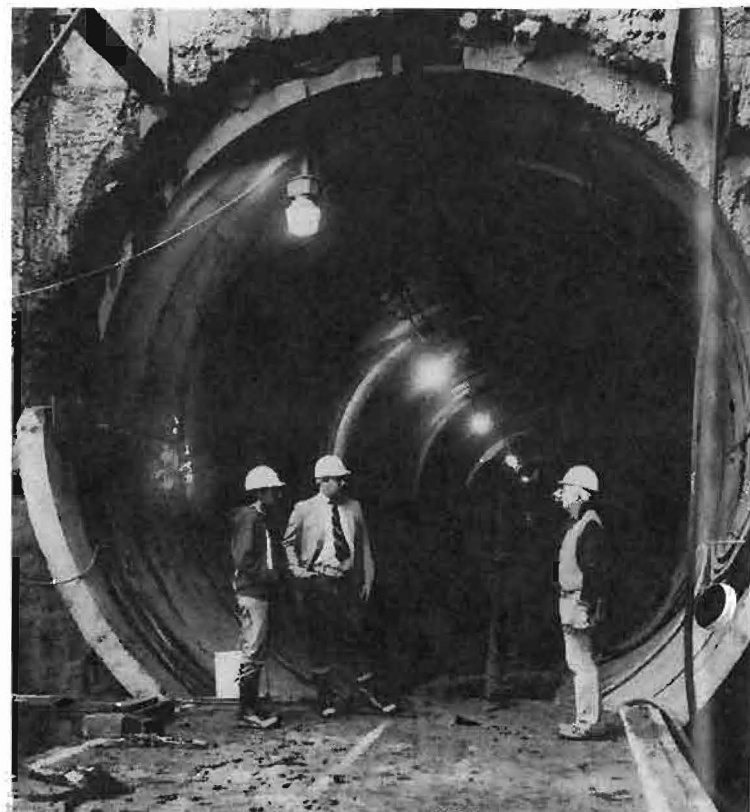
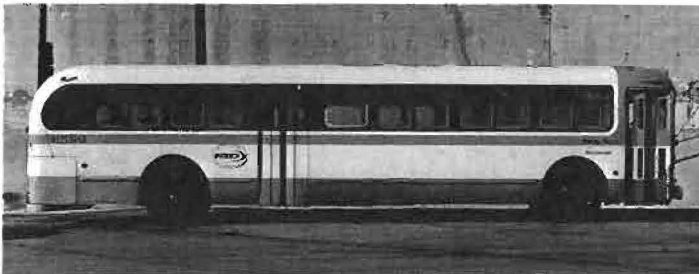
The second was to design, build and operate a rapid transit rail system to serve Los Angeles County.



The consolidation of individual bus operations was effectively completed. A major milestone in public transit was achieved for the area in 1973 with the opening of the El Monte Busway. It offered commuters a savings of 20 minutes off their daily drive between the San Gabriel Valley and downtown Los Angeles. The breaking of ground in 1986 for the RTD Metro Rail subway marked the first major step in the return of rail transit as an option for riders.

The first decade of RTD's existence was difficult. No public funding was available for the first several years, and no permanent source of funds was available until 1972.

Even with these financial constraints, the District acquired several smaller financially strained bus



operations and thus maintained service in areas that otherwise would have had virtually none.

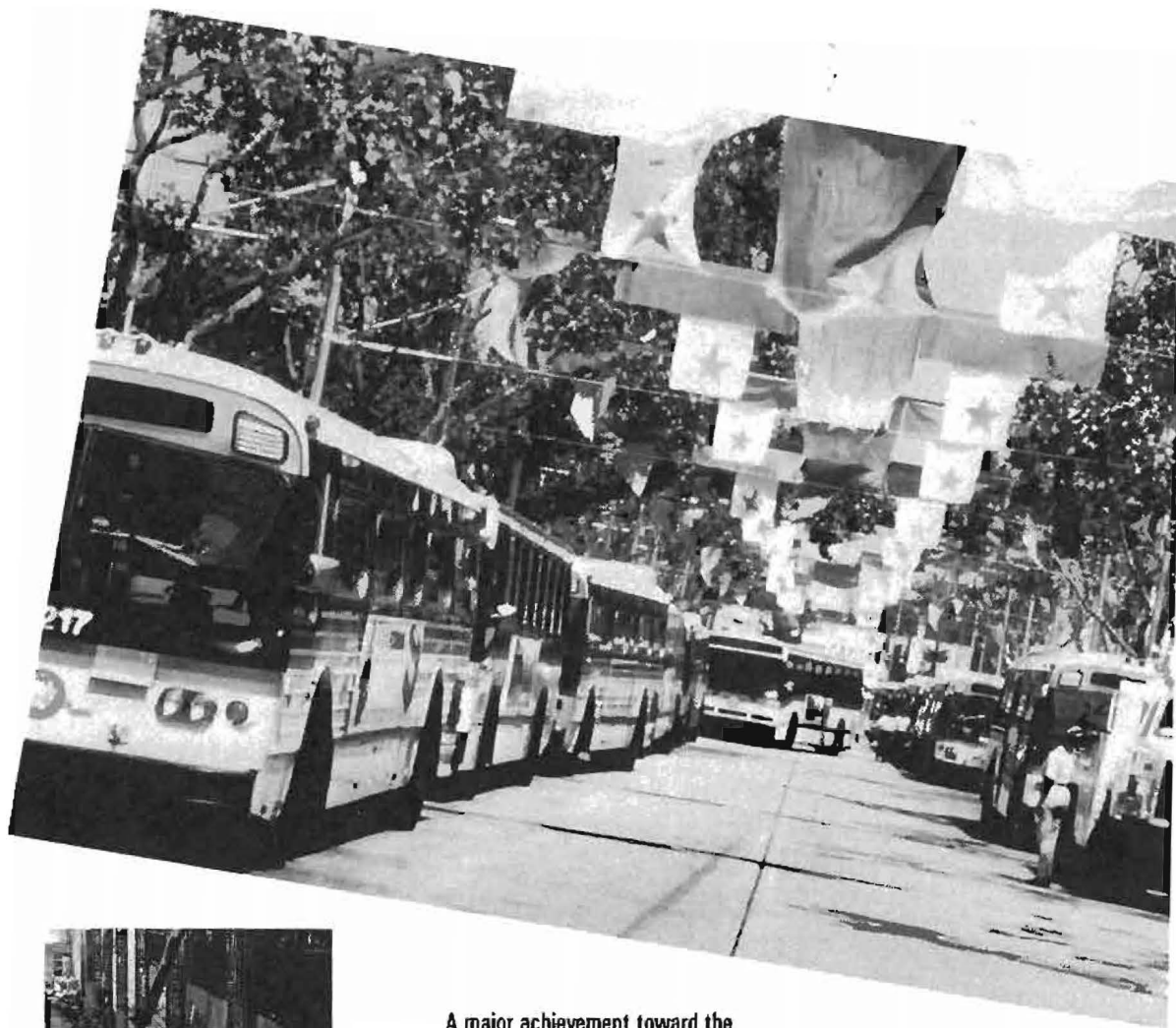
The infamous gas shortage of 1974 and the availability of new revenues at that time put RTD mass transportation into high gear. Ridership hit all-time highs as RTD strove to put as many buses as possible on the street, adding more than 250, while instituting a grid system of bus routes allowing passengers travel anywhere throughout the county for one low fare. Special express and park and ride lines were introduced.

The next 15 years saw numerous changes, including lower fares to attract ridership and the installation of wheelchair lifts on RTD buses a full ten years prior to federal law requiring it.

During the 1984 Summer Olympics the RTD performed a key role in traffic management that earned the area the congratulations of the world: two weeks of smooth-flowing traffic during a major international event with game venues, in some cases, hundreds of miles apart. The RTD created special routes to sports venues, set up park and ride lots, and brought in equipment from other transit properties as a major part of the overall traffic program.

The District, with the purchase of more than 900 buses in the early 80's, placed the largest order ever made for transit vehicles. The arrival of these buses helped trans-

"The District... in the early 80's, placed the largest order ever made for transit vehicles."



form one of the oldest fleets in the country to one of the newest.

In the late 80's, construction work continued on the first 4.4 miles of the Red Line subway while planning and environmental studies on the next segments toward the westside and to Hollywood and the San Fernando Valley were completed. The District also began to prepare for its scheduled mid-1990 operation of the Long Beach-Los Angeles Light Rail Line.

A major achievement toward the end of the period was the building of the state-of-the-art Central Maintenance Facility (CMF), equipped to handle the maintenance needs of the bus system for the next 50 years. The CMF will soon include a full exhaust emission testing station for not only RTD buses, but other buses and trucks, the first of its kind on the West Coast. The facility will perform a crucial role in helping reduce air pollution.

Even prior to the completion of the emissions lab, however, the RTD had established itself as the leader among public transit agencies in the field of clean air, with other properties and federal officials studying our program and seeking our advice on reducing emissions from buses. The District began operation in 1989 of the nation's largest fleet of methanol-

powered vehicles, with compressed natural gas (CNG) vehicles following shortly thereafter. Investigation of ethanol-powered vehicles is also underway.

The first 25 years were a time of challenge and accomplishment. In its second quarter century, the RTD is committed to making public transportation a major force in one of the busiest and most vital cities in the world.

Operational Highlights

"District ridership for the year represents almost half of all public transit trips taken in California."

District ridership for the year reached 411.8 million, significantly higher than projected, and representing almost half of all public transit trips taken in California. This result was achieved despite decreased funding from various tax sources, which forced RTD to raise fares on July 1, 1988. However, to help low-income riders, the Board of Directors instituted a discount ticket program which offers 10 tickets for \$9, thus making their ride only 90 cents, or just a nickel more than previously. Elderly passengers, students and disabled persons continued to receive large fare discounts as did regular monthly pass users. Special subsidy programs in many cities, including Los Angeles, for seniors and the disabled, meant these large numbers of riders experienced no fare increase.

Passenger revenue was well above expectations at \$230.9 million. The District used the additional revenue to put more buses on the street and run others more frequently, thus easing overcrowding conditions on many lines.

The higher farebox revenues also allowed the District to offset the decrease in tax funding and start the 1990 fiscal year without increasing the fare.

Outside audits completed during the year showed the RTD was operating at new levels of efficiency. Bus driver absenteeism over a three-year period (July 1986-June 1989) dropped 33%, resulting in annual cost savings of \$8.6 million over the 1986 absence level. Absenteeism among mechanics showed similar improvement with a 28.6% three-year reduction.



Based on findings contained in a recent review of public transit operators by the State of California, the RTD carries passengers at a cost per rider of 38% less than the other operators. This analysis also found improved performance in such areas as accident frequency, operator attendance and a decrease in mechanical road failures. The report noted that District services were 70% more utilized than the state average and the RTD is making better use of its equipment than is found in the industry across the state.

The chances of riders boarding a new or like-new bus were higher than in many years. A total of 150 new buses were received in late summer representing a \$27 million investment. RTD was also in the last stages during the year of taking delivery of 297 additional buses, representing a purchase price of more than \$49 million.

Arrival of the new vehicles allowed RTD to embark on its investigation of alternate-fueled buses as a part of cleaning up the fouled air in the Los Angeles basin. Thirty of the new buses are equipped with methanol-powered engines. The presence of these vehicles represents the largest such fleet in the world and doubles the number of such buses in the U.S. As part of this test, the RTD designed an international methanol



symbol for use on vehicles powered by the fuel: a white cross, a plus sign and spokes of a wheel within a circle to denote good health, a positive future and locomotion, which are the expected benefits of methanol. In addition, as many as a dozen of RTD's existing buses are being converted to run on natural gas.

To further improve the fleet, RTD maintenance personnel skillfully rebuilt from the ground up hundreds of other buses. Because new buses are becoming increasingly more expensive, the District has been keeping some of its older buses and rebuilding them to get extra years and miles at a significant cost savings.

Dozens of standard-size coaches, all with hundreds of thousands of miles on them, were stripped down to the chassis. Engines, transmissions, seats, glass, floors were replaced.

As buses are repainted, they are getting a new paint scheme, with the familiar three red, orange and yellow stripes giving way to two larger red and yellow ones. The new paint scheme, adopted as part of the effort to combat vandalism and reduce paint costs, will take four years before the fleet is completely redone.

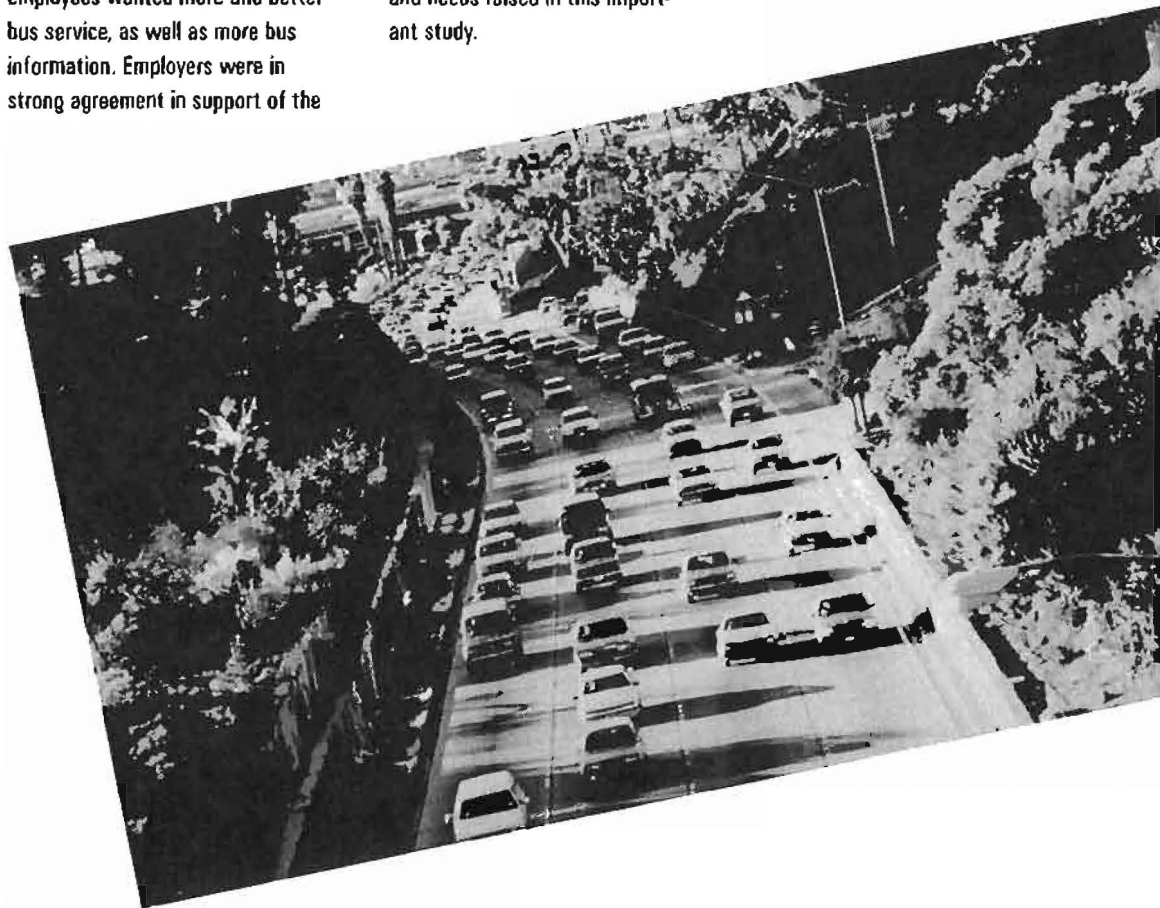
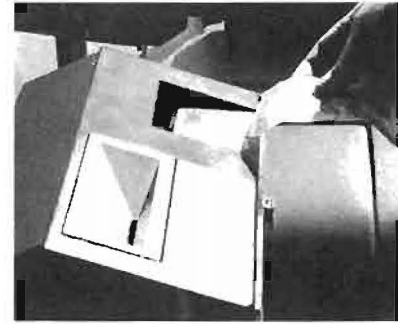
Both new and existing buses in the fleet were equipped during the year with state-of-the-art electronic fareboxes, capable of accepting dollar bills, tickets and coins, plus providing the bus operator with a digital display of the fare deposited by patrons. The changeover from the old style mechanical fareboxes, which could not handle dollar bills without jamming was a result of a \$12.5 million contract.

The District conducted a major marketing research study during the year to acquire information assessing the impact of new ridesharing regulations, the demand for new services and the perception of business executives and their employees on the use of public transportation as a viable rideshare solution.

Results of the study showed that well over half of the more than 1,700 people surveyed, including both bus riders and non-riders, believe more funding should be directed towards improving bus service and building rail service rather than building more highways and freeways. Both employers and employees wanted more and better bus service, as well as more bus information. Employers were in strong agreement in support of the

concept of public transit, believing that regionwide improvements will help the business climate. Over 80% of the employers interviewed cited traffic congestion as a problem affecting their companies, with employee absenteeism and product delivery as prime concerns. Almost two-thirds of the employers blamed traffic for employee tardiness and over half believed that congestion affects employee health claims. Nearly two-thirds of employees surveyed agreed that traffic causes stress; a slightly lower percentage said it affected their productivity.

The RTD intends to respond, as effectively as it can within its resources, to the concerns and needs raised in this important study.



"Rail service is set to go into operation in July of 1990."



The fiscal year saw a great deal of progress made on both rail transit projects currently underway in Los Angeles, the RTD Metro Red Line and the Long Beach/Los Angeles Light Rail Line.

Metro Rail Line

The immense teeth of a tunnel digger chewed through an 80-foot wall of the future Civic Center station in early May, marking the completion of the first of twin tunnels connecting Union Station with First and Hill streets in downtown Los Angeles.

The tunnel was the first to break through from one station to another in the first 4.4-mile segment of the subway project, known as heavy rail and similar to rail operations such as BART in San Francisco or the METRO in Washington, DC. Service is set to begin in late 1993. When completed, there will be five stations serving the new rail line between Union Station at the east and MacArthur Park (Wilshire Boulevard and Alvarado Street) at the west. Plans are underway to extend the route west from MacArthur Park toward West Los Angeles and north to Hollywood and the San Fernando Valley.

The District took steps during the fiscal year to focus project management attention on controlling costs and developing specific recommendations for minimizing future costs. Two audit firms were hired, one to review the projections of the overall cost of the project, the other to determine the projected actual costs of more than 750 pending claims and contract change orders. The present budget for the project is \$1.249 billion.

As of the end of the fiscal year, 36 of 65 available contracts on the project had been awarded at a total value of \$476 million.

Of the nearly nine total miles of twin tunnels to be dug, more than half had been completed by the end of the fiscal year. More than 100,000 cubic yards of concrete had been poured at the five station sites; excavation was nearly complete at three of them.

Long Beach/Los Angeles Line

The Blue Line, which will run between Long Beach and Los Angeles, is set to go into operation in July of 1990. The first car of the 54 that will be used on the line arrived in May and immediately went into testing on tracks between Del Amo Boulevard and Willow Street in north Long Beach.

The RTD will operate the line, being built by the Los Angeles County Transportation Commission (LACTC). During the year, the District through a nationwide search recruited highly skilled and experienced rail operating, equipment and facilities management personnel.

The RTD also initiated testing of rail cars and system components and planned coordination of bus and rail service.

Plans call for only partial operation of the line initially. The southern and northern portions in downtown Long Beach and downtown Los Angeles will be completed within 12 months of the opening.

The year ending in June saw the dedication of the new maintenance yard and shops in North Long Beach which will also support future light rail lines. The 17-acre site includes three buildings where the rail cars will be maintained and repaired.

A few miles north of the main yard, installation of high-tech equipment in the Central Control facility is near completion. The center will monitor and control all major operating and communications systems.

After a nearly three-decade lapse, the 90's will see the return of rail transit to Los Angeles. The renaissance of rail in Los Angeles can be traced to the approval of the voters in 1980 of a half-cent sales tax to improve transit. The measure authorized the 150-mile rail system now being constructed in increments. Over the coming five years, approximately a third of the total system is scheduled to be in operation.

Metro

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT



ANNUAL REPORT 1990/1991

PRESIDENT'S LETTER

Twelve years ago the following statement was published:

"Expanded resources must be made available for public transportation if the District is to continue to do its job. The justification is obvious... The continuing dependence on the automobile causes a polluted atmosphere subjecting everyone to irritation and disease and requiring massive investments in an attempt to keep the air at least breathable."

I was the RTD board president who wrote those words in the annual report for FY 78. These many years later I find the situation as true today as it was then.

The difference, however, is that today I can report significant progress has been made by the RTD.

— The Metro Blue Line light rail system is a successful reality as the first of several rail transit systems that will be serving the public in the near future. Powered by electricity, it has already been responsible for removing 4,000 cars from the road daily as the drivers switched to rail.

— Buses powered by fuel other than petroleum-based are operating on the streets of Los Angeles due to major achievements by the RTD. A fleet of 30 methanol-powered buses has been in service for the past two years and will soon be increased to more than 200.

— Preliminary engineering is underway for converting buses operating on some of the more heavily-traveled lines in the RTD system to electric trolleybuses. Currently being used in other major cities, the electric trolleybus offers the potential to provide frequent bus service in highly-congested corridors without affecting air quality.

— Just after the close of Fiscal Year 1991, the RTD opened its state-of-the-art laboratory for testing exhaust emissions of buses and large trucks, one of only four of its kind in the nation. Not only will it ensure RTD vehicles meet the strictest air quality standards, but will be instrumental in setting emission standards for large commercial trucks.

— Later this year the RTD, in partnership with the Southern California Gas Company, is planning to convert 20 buses to run on liquefied natural gas in yet another approach to developing a non-polluting and cost-effective alternative to diesel fuel.

While this progress toward improving the environment is heartening, considerable work remains to be done.

Unfortunately, the stubborn obstacle of increased funding to expand and improve overall service remains with us. Twelve years ago, the RTD recorded 315 million annual boardings with a peak hour fleet of 1,825 buses. This past year, the RTD peak hour fleet of 1,971 buses logged 416 million annual boardings.

Those figures demonstrate why the RTD is rated as the Number One public transit system in the nation in efficiency. Today we are logging 100 million additional passenger boardings per year with only 150 more buses. This means outstanding RTD management in the use of available resources. But it also means a terrible deficiency in public transit policy that results in jammed RTD buses carrying loads far beyond acceptable limits. This failure must be remedied or we will continue to fail to meet our responsibility to the people we serve.

Reflecting on the past 12 years, how far we've come and how far we have to go, reinforces the commitment of the RTD Board of Directors to aggressively continue seeking improvement to public transportation in Los Angeles and to providing the very best in service to the millions of people who ride the RTD.



President Holen is an attorney at law

appointed to the RTD Board of Directors by

County Supervisor Edmund D. Edelman.

Marvin L. Holen

Marvin L. Holen

President, RTD Board of Directors

GENERAL MANAGER'S REPORT

FISCAL YEAR 1991 presented RTD with some of the most exciting and divergent challenges in the District's history.

RTD JOINED WITH SOUTHERN CALIFORNIA in celebrating the inauguration of the Metro Blue Line light rail system, marking the return of public rail transportation after a 30-year hiatus.



Alan F. Pegg

General Manager

THE DISTRICT SHARED in the nation's concern when the Persian Gulf War broke out, and poised its bus fleet to handle increased ridership if a fuel shortage occurred. RTD vowed not to raise fares. When the war ended, the District gave its employees who served in the Gulf a hero's welcome home.

THESE ARE THE KINDS OF EVENTS that required the best effort RTD employees could give. Because of those efforts, it was a banner year in many more ways.

TRANSIT RIDER BILL OF RIGHTS

RTD BOARD PRESIDENT Nick Patsaouras introduced a seven-point Transit Rider Bill of Rights, guaranteeing RTD customers the right to *courteous, convenient, safe*, quality service. Several programs were introduced in conjunction with the Bill of Rights.

RTD RIDERS WERE PROMISED a free ride if their bus was 15 or more minutes late—the only such guarantee existing in the country among public transit operators. Not only did the program show that RTD buses are on time 99.8 percent of the time, it won an award of excellence from the Society of Consumer Affairs Professionals in Business.

THE DISTRICT OFFERED PUBLIC TOURS of its facilities, giving people a chance to look behind the scenes of a transit operation. A contest called "People Moving L.A. Into the '90s" asked the public to submit their ideas for improving public transportation. The winners were awarded prizes and their ideas were studied for feasibility.

TO ADDRESS THE RIGHT to a safe journey, RTD nearly doubled the size of its *Transit Police force*. More officers were deployed on buses and on foot in heavily-traveled corridors such as Broadway in downtown Los Angeles and Van Nuys Boulevard in the San Fernando Valley.

RTD BUS SERVICE

DEMAND FOR RTD BUS SERVICE stayed high last year with 416 million passengers boarding District buses—the first annual increase in six years. This prompted the District to raise its service levels 200,000 hours and 1.3 million miles over the previous fiscal year, while staying within budget. In its ongoing quest to improve service, RTD unveiled 71 brand new buses, experimented with transporting bicycles, and began studying an electronic tracking system capable of pinpointing the location of a bus anywhere on its route.

GENERAL MANAGER'S REPORT

Passengers disembark at the underground

7th Street/Metro Center when opened

February 14, 1991 resulting in a ridership

surge for the Blue Line.

TO ENCOURAGE EXCELLENCE among its operators and mechanics, the District began an "Outstanding Division" awards program.

LOOKING TO THE FUTURE, RTD reported excellent results with its fleet of 30 methanol-powered buses, concluding that methanol was a *viable alternative fuel* for public transit vehicles. The District also met with communities and produced initial reports on the feasibility of bringing electrically-powered trolleybuses back into service in Los Angeles County.

RECOGNIZING THE NEED to increase the awareness about clean air and transportation issues at an early age, RTD also launched a one-of-a-kind Clean Air Curriculum for L.A. County public school classrooms.



RTD RAIL SERVICE

RTD's METRO BLUE LINE trains exceeded all ridership expectations during the first year of operation. Daily ridership figures of 15,000, anticipated only after a year of operation, were achieved in the first week. By the end of the fiscal year, the trains had carried about 7.5 million passengers. About 30,000 riders a day were boarding.

MORE SAFETY FEATURES, such as a "cyclops" light and lowered guard fences, were implemented during the year to assure the highest possible awareness of the trains. Bicyclists also were invited to board Blue Line trains for a nominal fee.

ALTERNATIVE FUEL EXPERIMENTS, pending rail lines, the ever-increasing need for more public transportation—these are all issues that will keep RTD at the *forefront of the public transportation industry*. The District is already setting the world standard for the operation of alternatively-fueled vehicles, and it won't be long before Los Angeles has a world-class bus and rail network to match.

THE RTD STANDS READY TO DELIVER—not only to its 1.3 million daily riders, but to the Southern California community as a whole.

Alan F. Ryan

FISCAL YEAR 1990/1991 OPERATIONAL HIGHLIGHTS

AT NO TIME DURING its more than 25 years in existence has the RTD had a greater impact in Los Angeles or accomplished more in providing public transit than it did in Fiscal Year 1991.

BEGINNING WITH THE RTD METRO BLUE LINE light rail system, through extensive bus operations, to meeting tough environmental issues, the year provided a series of challenges to the District.



BLUE LINE OPERATIONS

THE FIRST YEAR OPERATION of the RTD Blue Line light rail system between Long Beach and downtown Los Angeles served as a demonstration to the entire metropolitan area that rail transit is a much-needed and desired service.

IN A STUDY CONDUCTED nearly a year after the line's opening, an overwhelming 90 percent of the riders interviewed gave the Blue Line *exceptionally high ratings* for service, comfort, security and efficiency. The Blue Line, the longest initial light rail segment opened in the U.S. with 22 miles of service, achieved a 99 percent on-time record. The most often requested improvement was for extended service at night and on the weekends.

IT ALSO PROVED SUCCESSFUL in converting auto commuters to transit users. The study found that the RTD Blue Line removed some 4,000 cars daily from the streets and freeways.

RIDERSHIP LEVELS ALSO SURPASSED expectations. Soon after the opening of the Blue Line in July of 1990, the system was operating with an average daily ridership of 15,000, a level initially predicted to be reached at the end of the first year of operations.

WHEN THE FIRST-YEAR ANNIVERSARY was reached, daily ridership approached 30,000. A total of 7.5 million rides were taken on the Blue Line during the first year.

ATTRACTING NEW RIDERS to the system was motivated by some significant *service improvements*, including the early completion of the whole 22-mile system. Initially, the line extended only part way into downtown Los Angeles and stopped several blocks short of downtown Long Beach.

THE OPENING OF THE ONE-MILE LOOP and four stations through downtown Long Beach took place in September 1990. And on Valentine's Day, February 14, 1991, the extension to the underground 7th Street/Metro Center station was opened in downtown Los Angeles, site of a major transfer point between the Blue Line and the soon-to-be-opened Red Line subway system.

TO RESPOND TO RIDERSHIP GROWTH more trains were brought into service, the hours of operation were extended, and the frequency of train service was increased four times during the year. As a result, at the end of the first year the trains ran from 5 a.m. to 11 p.m., seven days a week and eight minutes apart during morning and afternoon rush-hours.

TO ACHIEVE A GREATER level of safety in operations several major actions were taken. Visibility of the trains was increased by installing high-powered "cyclops" headlights. Crossing modifications were made and *public awareness campaigns* launched. Los Angeles Dodger baseball stars Darryl Strawberry and Ramon Martinez volunteered to appear in public service television announcements and posters emphasizing Blue Line safety. All the elements combined produced a dramatic increase in safety awareness.

The Wardlow Station of the Metro Blue Line

where the available park'n ride lot was a factor

in the decision of the more than 4,000 commuters

who now use the train instead of their cars

FISCAL YEAR 1990/1991 OPERATIONAL HIGHLIGHTS

RTD Transit Police officer works with one of the many trainees during Fiscal Year 91 as the force was doubled to provide greater security for passengers.



MUCH OF THE BLUE LINE'S SUCCESS is attributed to its efficient integration with the RTD bus system. To accomplish this, 60 bus routes were revised to interface with the Blue Line, a fully integrated set of bus and rail schedules was established, and a rail/bus fare structure to which the public could easily accommodate was adopted.

THE BLUE LINE ALSO PROVED the RTD's innate ability to function as a bi-modal public transit agency. Approximately half of the employees responsible for the successful first year operation of the light rail system were existing bus operations personnel.

BUS OPERATIONS

WHILE GATHERING HIGH MARKS from riders of its rail system, RTD also continued to improve the service of its bus system in keeping with its newly established Transit Rider Bill of Rights.

ONE OF THE MOST AMBITIOUS of the new programs was the On-Time Performance Warranty, guaranteeing that if any RTD bus is more than 15 minutes late in reaching a scheduled stop, the passenger rides free. The warranty is unprecedented by any public or private transportation agency. The RTD recorded outstanding on-time performance with a rate of 99.8 percent based on the number of free rides provided.

A PLEDGE OF GREATER SECURITY throughout the sprawling RTD system was met by doubling the RTD Transit Police force to a total of 200 officers. *High-visibility foot patrols* were instituted on bus lines and stops along Broadway in downtown Los Angeles, in the San Fernando Valley, and East Los Angeles. Efforts continued to combat vandalism of District vehicles as the Transit Police became recognized as a leader in anti-graffiti enforcement.

CUSTOMER RELATIONS EFFORTS were expanded by establishing a series of toll-free phone numbers for schedule information, a hotline for disabled patrons, and a rider comments hotline.

FREE PUBLIC TOURS opened the doors for a behind-the-scenes look at RTD operations ranging from the Blue Line, to the innovative Central Maintenance Facility, to the six-story RTD headquarters in downtown Los Angeles.

THE RTD ALSO JOINED FORCES with the Los Angeles Times newspaper in sponsoring the Right Thing to Do educational program to bring information on *public transit to students*. With special emphasis on transportation alternatives, the 15-week instructional program is aimed at junior high school students and highlights environmental and economic benefits of public transit.

AS A RESULT OF THESE PROGRAMS, the RTD received an Award of Excellence from the Society of Consumer Affairs Professionals in Business symbolizing the "best of the best" in the area of customer relations.

FISCAL YEAR 1990/1991 OPERATIONAL HIGHLIGHTS

UNDERSCORING THE EFFORTS in reaching out to the public, the District intensified its resolve to *enhance its basic bus service* and still remain within budget guidelines.

THE RTD ADDED 35 BUSES to its fleet during the past fiscal year, bringing the total to more than 1,900 during peak hours. It also made major gains in the maintenance of buses. Vehicle



RTD leads the nation in alternative fuel research, successfully developing the methanol-powered bus to become the first alternative fuel bus certified by the state

reliability registered impressive improvements for the year. Buses traveled an average of 4,885 miles between service calls, an increase of 750 miles. This factor helped reduce canceled runs by 70 percent. In addition, the District's ongoing bus rehabilitation program resulted in bringing 200 buses to a "like new" status.

FOR THE YEAR, THE RTD INCREASED service hours by more than 200,000, traveled 1.3 million miles farther, and recorded a 15 million increase in total number of boardings. Daily ridership grew to 1.3 million boardings, while the RTD still maintained the heaviest average passenger load of all major urban bus operators at 19 passengers per vehicle – 60 percent more than the national average.

BUS OPERATORS BEGAN AN ONGOING PROGRAM of advanced training this past year in response to new, more stringent state regulations. Nearly a quarter of the more than 4,000 RTD operators completed the training to receive the required licensing and

certification, with the remaining being phased in over the next few years to further enhance the District's already high level of operator professionalism.

CLEAN AIR

THE DISTRICT'S NATIONAL LEADERSHIP position on research into clean-burning fuels began returning dividends this past year. A test program operating a fleet of 30 methanol-powered buses in service successfully logged more than 1.5 million miles on Los Angeles streets, the most extensive of its kind to date. The results of the RTD research program were instrumental in the methanol engine being certified by the State of California as a clean-burning alternative to the diesel engine. RTD is expanding its methanol bus fleet with 200 more vehicles due to arrive in 1992.

MEANWHILE, PROMISING RESEARCH continues into other methods of reducing air pollution, including a test fleet of eleven compressed natural gas (CNG) buses, ten methanol/Avocet fuel buses and a dozen diesel-powered buses fitted with particulate traps to filter exhaust emissions.

A KEY ELEMENT OF THE ENVIRONMENTAL PLAN for Southern California developed by the South Coast Air Quality Management District (AQMD) is increased use of mass transit, which the RTD addressed last year with the extension of the Corporate Transit Partnership Program designed to assist Los Angeles businesses in *complying with new clean air regulations*. This program provides a direct business-to-business approach linking transportation information and resources to needs, and includes conducting employee surveys, providing personalized bus itineraries and assistance in preparing trip reduction plans.



Transportation has long played a vital role in Los Angeles County's growth, from the 19th-century stagecoaches which moved people west and the railroads which shipped citrus east to the Red Cars of the first half of the 20th century and the freeways of the second half.

With a new millennium just five years away, transportation will play a vital role in Los Angeles County's 21st century. Our vast population and geography require a cost-effective, balanced, multi-modal transportation system serving the entire county to avoid gridlock and pollution.

Buses are the MTA's backbone. We have taken several steps over the past year to improve bus service. To increase efficiency, we have restructured routes and decentralized management. The new labor contract allows the MTA to use court-referred offenders on graffiti removal, resulting in both cleaner buses and a better utilization of our scarce resources. We are also able to contract out 13 bus lines, enabling improved service.

Our fiscal realities dictate that the "business as usual" approaches of the past must be replaced with innovative techniques. Keeping costs in line is not an option, but a necessity. We have a responsibility to end costly debacles like multi-million dollar subway change orders.

The positive change of direction has begun to be felt throughout the agency. In construction, we have instituted peer review panels, using the services of outside professionals with no stake in the project, to give their input on increases in efficiencies and cost-effective adjustments that can be made to decrease costs. The best example of this is the Pasadena Blue Line, where a peer review panel identified \$175 million in potential cost savings and increases in efficiency in the projected \$998 million project.

Another tool is value engineering, where projects are

reevaluated incorporating lessons learned from other projects, so more costs are reduced.

We must also evaluate the vehicles we use to be responsive to community desires. On our bus routes, we must use vans and jitneys where appropriate, instead of diesel 40-foot buses that are costlier to operate and maintain.

In the future, we plan to utilize the Advanced Technology Transit Bus (ATTB), a lightweight composite bus, powered by fuel cells. Another benefit of this vehicle is that it is developed in Los Angeles County by Northrop Grumman Corporation, using technology refined during production of the Stealth Bomber. Buses powered by liquefied natural gas, a fuel far less polluting than diesel, are also planned for future use.

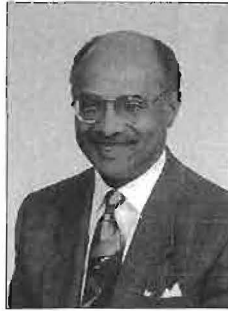
On rail routes, the "Rail Bus," a clean, inexpensive alternative to current rail cars, is also under consideration.

This first MTA annual report describes the agency's 20-year transportation plan which brings a variety of new transportation services where they are needed most, while heeding the fiscal realities.

This report also details the monumental challenges the MTA faced and met in its initial 15 months, from having to provide transportation service for 1.2 million people daily to the human drama that occurred following the devastating January 17, 1994, Northridge earthquake.

The MTA has had many proud days in its first 15 months as it begins a tradition of service and responsibility to the county's taxpayers. We must never forget that heeding the public's wishes, whether it be in courteously answering a telephone call or the type of rail system we choose to build, is always our top priority.

Mike Antonovich
MICHAEL ANTONOVICH



When I began my duties two years ago as the first Chief Executive Officer of the newly-formed Los Angeles County Metropolitan Transportation Authority (MTA), the new Board of Directors handed me the pieces of a jigsaw puzzle consisting of competing public transportation agencies, programs and ideas and instructed me to assemble them.

I saw before me the fragments of a world-class public transportation system. But as any puzzle aficionado knows, it can take time to find the pieces that fit together. The more complicated the puzzle is, and the more pieces there are, the longer it will take to reach the ultimate goal. And everyone knows the pleasure of putting the last piece into place, then stepping back to enjoy all the components working together in harmony to create the picture as a whole.

We've made considerable progress in creating a unified public transportation agency. There are some pieces yet to assemble. This first MTA Annual Report outlines what we've done so far, and what is left to do to bring Los Angeles County the public transportation service it deserves.

MTA's 20-Year Plan

Perhaps the most significant milestone reached during MTA's first 24 months was the Board's adoption of a fiscally-sound, achievable long-range transportation plan. It took considerable cooperation on the part of our Board

to agree on a responsible blueprint for the future of public transportation in Los Angeles County.

The goal was deceptively simple: increase mobility, reduce traffic congestion and improve our air quality. An earlier version of the plan assumed an expenditure of \$183 billion over a 30-year period, and seemed to contain something for everyone. But it assumed that the robust economy of the 1980s and levels of federal assistance would continue unabated into the 1990s.



When the new decade arrived, along with a debilitating recession, so did the fiscal reality: there simply wasn't enough money to pay for it all. The creation of the new agency in April 1993, gave the new Board of Directors a chance to rethink its long-range plan. It has been shown in other cities that people will use public transportation if it is safe, convenient, clean, on time

and affordable. Our goal, then, became building a transportation network that will be useful to the most people while not overspending our limits.

Our new 20-Year Plan achieves this goal. It suggests spending \$74.2 billion on a combination of new bus and train services and provides funds to all 89 cities in Los Angeles County. The plan isn't perfect, and does not please everyone — especially those who thought they had a transportation project coming to them, only to see it put temporarily on hold.

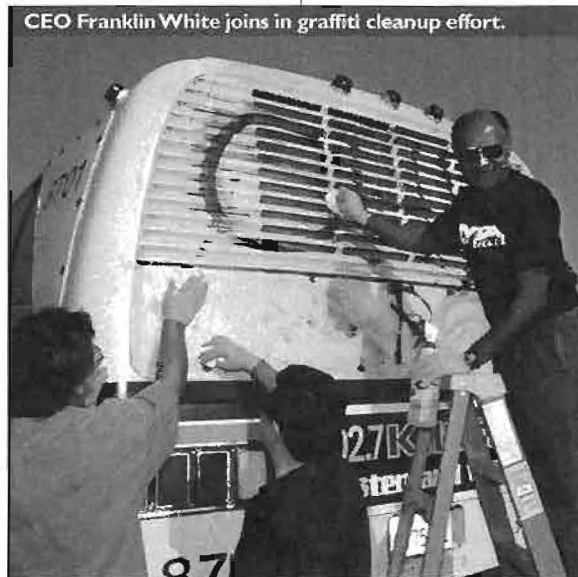
What it does do, however, is provide a strategic vision and a balanced approach to the many interests involved in developing an effective transportation system. We intend to use this plan as our catalyst for building consensus as we move forward to resolve our mobility problems.

Following are the key elements of the plan:

- ☐ Maintain existing revenue sources and aggressively pursue new ones. The MTA seeks to maintain at least 50 percent federal contribution to the cost of building our future rail projects.
- ☐ Add 300 buses to the countywide peak bus fleet; eliminate duplicative bus routes; reallocate transit service in low-ridership areas to high-ridership areas to alleviate overcrowding.
- ☐ Build 279 more miles of high-occupancy vehicle (HOV) lanes and freeway gap closures.
- ☐ Add 130 miles of arterial bus lanes on surface streets and improve signal synchronization on major thoroughfares.
- ☐ Continue developing Los Angeles County's rail network by opening the Metro Green Line system later this year, completing the Pasadena Blue Line, building an east-west rail line in the San Fernando Valley and completing the eastern and western extensions of the Metro Red Line subway system.

- ☐ Better identify customer needs and implement programs and services that directly meet those needs.
- ☐ Promote changes in commuting behavior by advancing such policies as ridesharing, telecommuting and greater reliance on transit to reduce single-occupancy vehicle use.
- ☐ Implement cost-savings measures within the MTA to increase cost-efficient delivery of service and capital projects.

CEO Franklin White joins in graffiti cleanup effort.



Changes from within

Simply having these goals is not enough. We know we must create a productive, well-managed organization. We have set new goals to accomplish this. Meeting the goals will mean having an agency that can make our long-range goals and objectives become a reality while staying within our means.

One of the first major internal actions we took was abolishing

the Rail Construction Corporation, bringing the rail construction unit under direct MTA management. I believe this already has had a positive effect, as we have been able to more closely monitor the unit's contracting and construction activities.

In addition, we will make the following organizational changes, many of which already have been implemented:

- We are increasing employee productivity by pushing responsibility and authority down into the organization and by creating responsibility-centered policies and programs with appropriate training and support.
- We have completed the management conversion program at all our operating divisions to a single-manager concept, which will increase efficiency and communications by shifting from two managers to a single manager. It also will empower the division manager with more authority and other resources, and with more accountability for results. The division manager will be responsible for rolling out buses and trains, maintaining them and improving the financial performance of the division.

The division manager will have more input into the selection of his/her staff. This will create significant cost savings, reduce worker's compensation costs and improve the management of spare parts which is crucial to a bus or train operation. For the first time, we are stressing performance measures in our maintenance operation.

The future is bright

As you will read in the Operational and Rail Construction highlights, the MTA has been through more than any of

us could have imagined when we first opened for business. We've had triumphs, such as keeping our service intact after a major earthquake and putting hundreds of buses and trains into service during a strike.

And we've hit more than our share of bumps — budget deficits, unexpected rail construction problems, unavoidable employee layoffs.

But through it all, the MTA has held together. The credit lies solely with MTA's dedicated employees, who have demonstrated to all that they care deeply about providing the best transportation service in the world.

I believe we've survived our biggest storms, and that fair weather lies ahead. As we

continue to build our transportation network, there will be job opportunities aplenty, helping to stimulate our economy. Each component of the system will continue contributing to our economic health long after completion.

Our commitment remains making Los Angeles a better place to live, a place where an economy can expand and grow, and a place where the air will be healthier to breathe.



FRANKLIN E. WHITE



Mergers naturally breed optimism and expectation. They present a newly-seeded field on which the merged organizations may begin playing as a single team. There are fresh perspectives, new goals and new hope for a better future.

As with any new venture, to be successful in the day-to-day business requires consistency and hard work. It also requires the ability to confront and overcome the unexpected, yet inevitable, obstacles that test the mettle of a new organization and its management.

In its first two years of operation as Los Angeles County's regional public transportation provider, the new MTA showed remarkable resilience in grappling with a series of issues and unforeseen disasters that might have overwhelmed a less-stalwart organization.

Carrying 1.2 million passengers every day on 2,000 buses and Metro Blue and Red Line trains presents a

MTA rolls out 2,000 buses to carry 1.2 million passengers every day.



daunting task in itself. During MTA's first full fiscal year, MTA buses carried an estimated 378.6 million passengers on more than 200 routes around the county. Metro Blue Line and Metro Red Line ridership both exceeded projections for the year. The Metro Blue Line carried 12,500,350 riders, while slightly more than 5 million boarded Metro Red Line trains in that system's first full year.

The expected

The MTA's graffiti eradication effort was so successful that by the end of FY 1994, a bus was seldom seen in

public with any exterior graffiti. At the program's onset nearly two years ago, the goal was to have at least two-thirds of the fleet graffiti-free while increasing the sense of security associated with mass transportation in Los Angeles County. This objective was met by June 1994. MTA now faces the challenge of maintaining this accomplishment in the face of budget reductions.

On-time performance continues to be exceptional. The agency's goal for on-time bus pullouts was 99 percent.

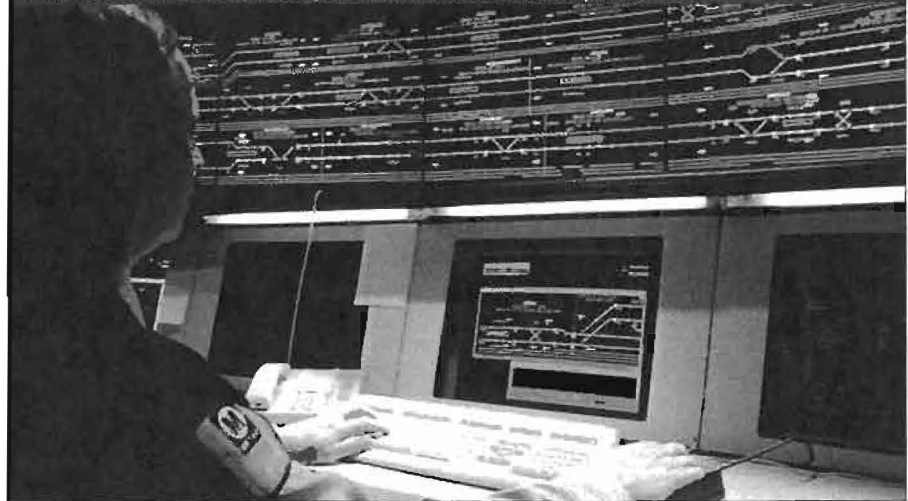
METRO BUS STATISTICS	FY 1990	FY 1991	FY 1992	FY 1993	FY 1994
Average weekday boardings	1,270,629	1,281,630	1,270,096	1,169,786	1,179,619
Total annual boardings	401,054,720	405,474,123	402,885,250	375,848,468	378,670,251
Annual passenger revenues	\$239,904,679	\$236,221,357	\$222,221,294	\$194,581,392	\$200,248,66
Number of peak hour buses	1,858	1,909	1,820	1,774	1,774
Average weekday miles operated	321,397	326,337	310,483	248,347	251,430
One-way route miles	4,804	4,544	4,462	4,441	4,446

The Transportation and Maintenance departments together exceeded this goal by posting a 99.49 percent on-time pullout rate.

MTA furthered its leadership role in improving the environment by ordering nearly 300 compressed natural gas-powered buses in keeping with its goal of buying alternatively-fueled vehicles. The agency also continued its partnership with the Northrop-Grumman Corporation in researching and designing the Advanced Technology Transit Bus (ATTB), or "Stealth Bus."

Thousands of stranded motorists were given a helping hand by MTA's Freeway Service Patrol. This joint MTA-Caltrans-California Highway Patrol program, paid for with Proposition C sales tax dollars, offers quick-fix repairs and towing

MTA's Central Control Facility, the nerve center of train operations.



to motorists who experience car trouble on Southern California freeways.

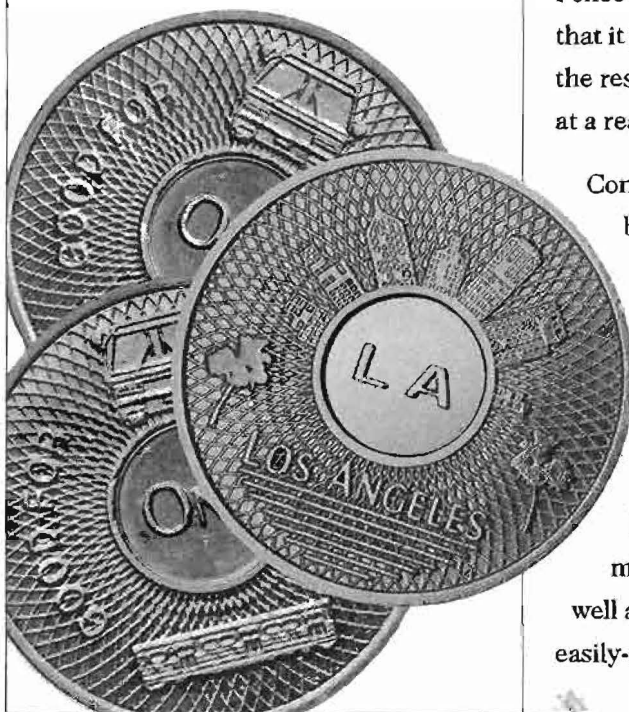
MTA's Board of Directors directed that MTA's Transit Police Department assume responsibility for providing security on all MTA transit services, including buses, Blue Line, Red Line and future Green Line trains. The Transit Police Department demonstrated that it possessed the expertise and the resources to protect MTA riders at a reasonable cost.

Construction of MTA's new headquarters building, part of a modern transportation complex to be known as the Gateway Center, is closer to completion than originally expected. Ownership of the building by MTA will save taxpayers millions in rent payments, as well as provide the public an easily-accessible meeting place

located at the hub of Los Angeles' public transit network.

The MTA streamlined its operations to battle stubborn operating deficits. Looking inward first, the agency cut in half the number of contracts awarded to outside services; a bus maintenance division located in Pomona was closed and its operations merged with the agency's El Monte division; millions of dollars were saved through the negotiation of new labor contracts; and a new fare structure was devised to bring MTA more in line with its peers throughout the nation.

Management structure at bus and train operating divisions was revamped, empowering one manager instead of two at each division and making that person responsible for the financial performance of the division. As a last resort, the MTA eliminated nearly 1,100 positions, including about 20 percent of its administrative staff.



The unexpected

As if to test the new agency's ability to respond in an emergency, on January 17, 1994, nature provided a magnitude 6.9 earthquake centered in the San Fernando Valley. The temblor brought parts of two busy freeways to the ground, forcing transportation officials to create a new transit network virtually overnight.

More than 100 MTA buses were summoned to carry people who were left homeless by the quake to temporary shelters. MTA buses also took some of the injured to area hospitals. As long as MTA operators could physically maneuver buses through rubble-littered streets, MTA kept running regular routes through the most heavily-damaged Valley neighborhoods to help residents get to emergency services. In many cases MTA bus operators, who themselves had damaged homes and frightened families, came to work to assist the riders who needed them. In subsequent days, MTA initiated 29 new bus lines throughout Los Angeles County in areas where

extra service was needed most.

In late July-early August 1994, approximately 6,500 employees represented by MTA's three principal employee unions walked off their jobs for nine days. In an action unprecedented in recent U.S. transit history, an emergency plan was conceived of by a special task force. Non-union MTA workers were trained as bus operators, then drove approximately 125 MTA buses on the system's most heavily-used lines. MTA carried more than 1.5 million people on as many as 350 substitute buses put into emergency service during the nine days. The agency also contracted with four other private bus companies to provide about 200 more school buses for service on MTA lines.

This summer, MTA will open the Metro Green Line, an east-west light rail line connecting the city of Norwalk and LAX. MTA personnel have been training Green Line train operators, readying its maintenance staff and performing all the other preparatory work required for the successful startup of a new rail line.

METRO BUSES

Facts

Total buses owned:	2,363
Number of buses in service during peak hours:	1,774
Number of bus stops:	18,500
Square miles in service area:	1,433
Number of routes:	200

METRO BLUE LINE

Facts

Number of cars in fleet:	54
Cost of each car:	\$1.17million
Car length:	87 feet
Car width:	8 feet, 3 3/4 inches
Car height:	12 feet, 3 inches
Car weight:	98,000 pounds
Passenger capacity, seated:	76
Passenger capacity, with standees:	230
Maximum speed:	55 mph
Average weekday passengers:	36,000
Average weekend passengers:	25,000
Total annual passengers (FY '94):	11,848,833
Length of route:	22 miles
Number of stations:	22

METRO RED LINE

Facts

Number of cars in fleet:	30
Cost of each car:	\$1.8 million
Car length:	75 feet
Car width:	10 feet
Car height:	12 feet
Car weight:	80,000 pounds
Passenger capacity, seated:	59
Passenger capacity, with standees:	180
Maximum speed:	55 mph
Average weekday passengers:	16,500
Average weekend passengers:	10,000
Total annual passengers (FY '94):	4,971,543
Length of route:	3.2 miles
Number of stations:	5

A Blue Line train turns the corner to head south to Long Beach.



One of the most significant policy decisions made during MTA's first two years was to improve the accountability of the rail construction unit by abolishing the Rail Construction Corporation and bringing the unit directly under the supervision of MTA management.

This was done to strengthen lines of communication, safeguard against potential conflicts of interest and make the construction unit even more cost-effective. Soon after the unit was formed, an outside accounting firm conducted a thorough study of the unit to suggest ways to further improve its performance. MTA already is implementing many of these suggestions.

The Rail Construction division is nearing the completion of the Metro Green Line project, is about halfway done with Segment 2 of the Metro Red Line subway project and recently began work on Segment 3 of the Red Line and the Pasadena Blue Line.

Following is a summary of noteworthy activities occurring on each current project:

Metro Red Line Segment 2

MacArthur Park Lake, which had been drained to allow tunnel construction to occur beneath it, was refilled and stocked with fish by local schoolchildren. Concrete



station boxes for the Wilshire/Vermont, Wilshire/Normandie and Wilshire/Western stations were completed, and tunnelers completed more than 28,300 feet of tunnel as part of the Vermont/Hollywood tunnel contract. MTA ordered the rail cars that will be used on the 6.7-mile addition to the system, which is expected to be open by 1998.

In August 1994, construction workers noted an abnormal amount of subsidence had occurred at the Hollywood Boulevard/Hudson Street intersection where tunneling was taking place. Work was temporarily halted to take extra precautions to shore up the earth in the area before notice was given to continue work.

Though some subsidence is normal during tunneling operations, engineers now carefully control the amount of subsidence to ensure it stays within acceptable limits. As of May 1995, construction workers had completed about 50 percent of Segment 2.

Metro Red Line Segment 3

On March 11, 1994, tunneling was started on the third segment of the Metro Red Line subway project that will serve the San Fernando Valley. Segment 3 consists of the North Hollywood extension, running west and northwest from the Hollywood/Vine Station to the North Hollywood Station; the Mid-City Extension, running from the Wilshire/Western Station to the Pico/San Vicente

Familiar Metro "M" marks Civic Center station location near City Hall.



Station; and the Eastside Extension, consisting of an initial segment running eastward from Union Station for about three miles. The total length of Segment 3 is 11.6 miles.

Tunneling machines began digging through the Hollywood Hills southward from North Hollywood in early 1995. Some minor subsidence also was noted beneath Lankershim Boulevard due to loose, sandy soil conditions encountered at the face of the tunnel. Work was again stopped temporarily in early April to ensure a minimum of subsidence.

Pasadena Blue Line

One month after Segment 3 of the

Red Line was begun, a symbolic flag was lowered to signal a crane operator to begin dismantling the Los Angeles River bridge to make way for a new one to serve the Pasadena Blue Line, which will extend service 13.6 miles northeast to the Tri-Cities area.

Nearly all early work has been on the retrofitting or replacing of outdated bridges along the Pasadena Blue Line corridor. The first contract awarded for the project called for the reconstruction of the Los Angeles River bridge. The old structure was demolished, and a new concrete structure is being built in segments. When complete, it will be 450 feet long, making it the

METRO GREEN LINE

Date Begun:	January 1991
Current Budget:	\$717.8 million
Length of route:	20 miles
Scheduled Opening:	August 12, 1995

METRO RED LINE SEGMENT 2

Date Begun:	January 1989
Current Budget:	\$1.446 billion
Length of route:	6.7 miles
Scheduled Opening:	
Wilshire/Western spur:	February 1996
Vermont/Hollywood line:	March 1999

METRO RED LINE SEGMENT 3

Date Begun:	March 1994
Current Budget:	\$1.3 billion
Length of route:	11.6 miles
Scheduled Opening:	May 2000

PASADENA BLUE LINE

Date Begun:	April 1994
Current Budget:	\$998 million
Length of route:	13.6 miles
Scheduled Opening:	2002

longest segmental bridge span ever built in Southern California.

Farther up the line, a major retrofit of the Arroyo Seco Bridge is taking place. The existing bridge was built in the late 1800s and is equipped with a single track.

Construction workers are seismically upgrading the bridge and widening it so that it can accommodate two light-rail vehicles at once. Despite the upgrades, however, the historic appearance of the bridge will be retained. Thirteen other bridges along the line also are receiving facelifts.

In June 1995, the first contracts for station and track construction will be advertised for bids. Work begins in January 1996, on a 3.5-mile segment of the line running from the L.A. River to Arroyo Seco. The following month, work is scheduled to start on a special light-rail station at Union Station in downtown Los Angeles. The existing Platform 1 will be converted to accommodate modern light-rail vehicles.

Metro Green Line

The Metro Green Line, scheduled to open August 12, 1995, will mark the first rail system to begin service under the auspices of the MTA and its reorganized construction unit. Construction is more than 90 percent complete. Final work has included the completion of the El Segundo Guideway structure and the Hawthorne maintenance yard and shop. All 20 miles of trackwork were laid, and the first test trains have taken their first trips on them. A colorful array of public artwork, commissioned by MTA's A-R-T Program, is being installed at each station to give them a sense of community.

MTA's rail construction activities pumped more than \$525 million into the local economy in FY 1994 alone, while providing 15,000 jobs. A recent study showed that, for every dollar spent for rail projects, three dollars is invested into the local economy.

April 1994, ceremony marked beginning of work on Pasadena Blue Line.

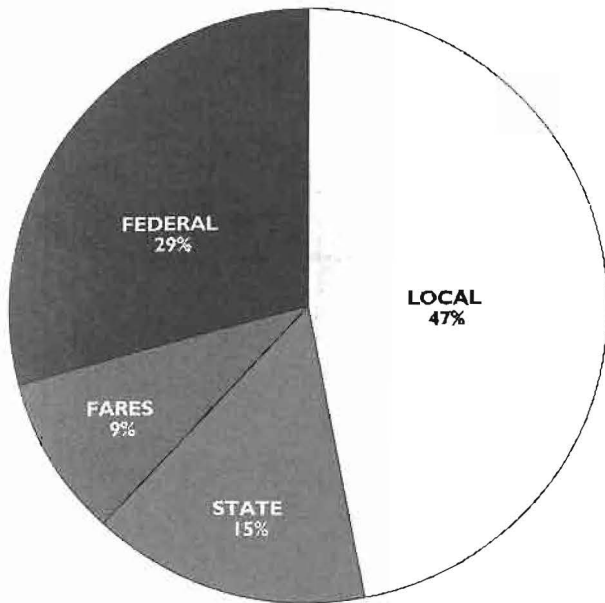


Workers inspect track bed of Metro Green Line, to open summer 1995.

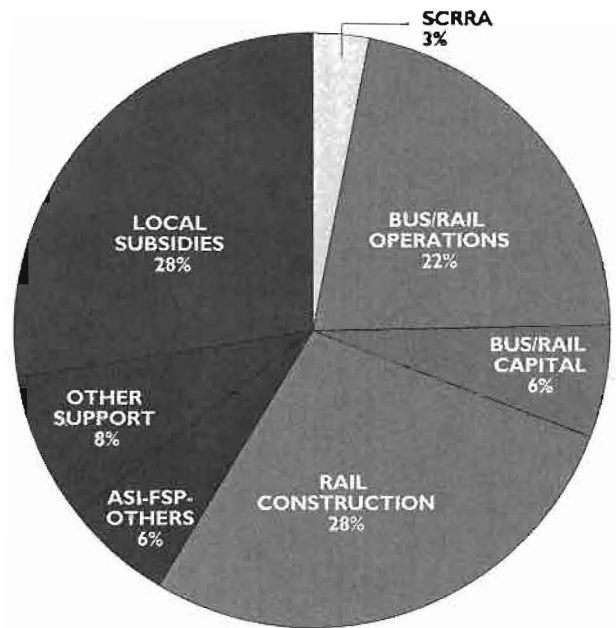


Budgeted MTA Revenues and Expenditures-FY94, FY95

MTA REVENUES 1995

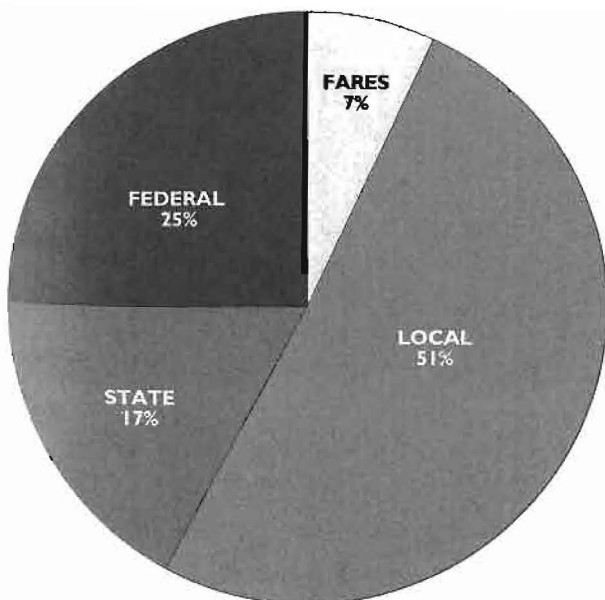


MTA EXPENDITURES 1995

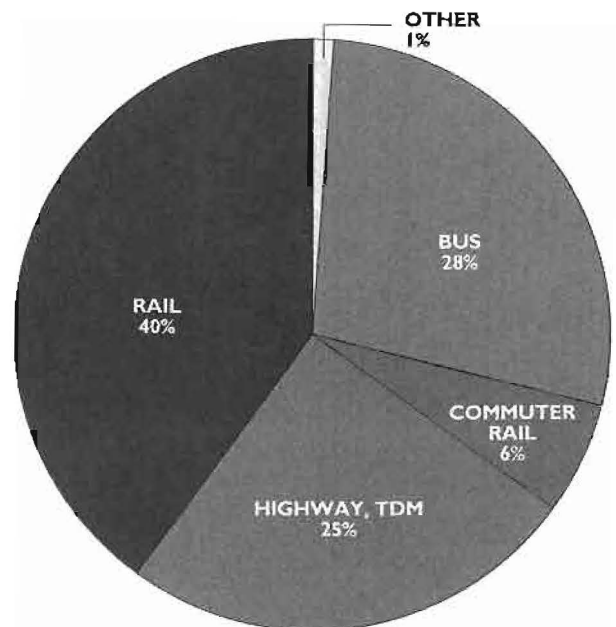


Total Budget: \$2,945 Million

MTA REVENUES 1994



MTA EXPENDITURES 1994



Total Budget: \$3,664.6 Million

A transportation planner's job is to step back from the everyday tasks of running and maintaining buses and trains and visualize the future. What can we do, they ask, that will benefit people the most in the next 10, 20, 50 or 100 years?

It's a responsibility that can be at once extremely rewarding and very frustrating. A fertile mind can imagine, and a skilled artist can draw, but if it can't be paid for, even the best plans will never become reality.

That was the dilemma faced by MTA planners shortly after the agency was created. The onset of the recessionary 1990s made the loftier goals of the richer 1980s obsolete. And yet, studies show that by the year 2015, there will be 3 million more people living in Los Angeles County. The challenge: How do we develop an effective transportation system that will meet a critical mobility problem — with 38 percent fewer resources?

Effectiveness vs. cost

The MTA Planning and Programming Department began looking at different transportation options, noting how many people they carried, how they affected air quality and how much they cost. Following are some key findings:

- High occupancy vehicle (HOV) lanes, or carpool lanes, are a

Green Line trains will carry passengers between South Bay area and Norwalk.



high performer in terms of mobility per dollar and in moving the most people quickly.

- Rail systems are extremely expensive to build, and would be best used to solve the most severe congestion problems in specific areas. Because of the high cost, rail must be built sparingly, and only when lower-cost solutions won't work.
- MTA's bus system must be improved by increasing the number of buses, putting them on high-ridership lines and giving buses preferential lanes on surface streets.

The MTA's recently-adopted 20-Year Long Range Plan is the most concerted effort to incorporate these findings into a workable, affordable plan of action. It was perhaps the crowning achievement of the MTA's planning function in its two years of existence. Because of

changes that occur with time, MTA will review the plan every two years.

Meeting our goals

There have been numerous other goals met along the way. A full-funding grant agreement was signed for the construction of Segment 3 of the Metro Red Line, a major hurdle that had to be cleared before construction that is now under way could begin. And after more than a decade of debate, an alignment for an east-west San Fernando Valley rail line was adopted by the Board of Directors.

The scheduled opening of the Metro Green Line later this year also required a major planning effort to ensure effective bus/rail connections. The Metro Green Line Bus/Rail Interface Plan contained not only a description of how bus lines would be rerouted to serve Green Line stations and new service to be provided, but also recommendations for promotional fares, park-and-ride security and maintenance for structures along the line.

Keeping track of the diverse transportation projects are MTA's six "area teams." The teams are assigned to cover six specific regions of Los Angeles County: the San Fernando Valley, Southeast County, South Bay, Central County, Westside and the San Gabriel Valley. Under this arrangement, team members are able to establish



working relationships with local elected officials, community leaders and other citizens interested in transportation projects in their areas.

Call for Projects

The federal Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 requires MTA to prepare a Transportation Improvement Program for Los Angeles County. MTA accomplishes this through its innovative Call for Projects program.

A substantial portion of MTA's annual budget — this year, it's about \$500 million, or 17 percent of the budget — is allocated for a variety of transportation projects that may include new bus or train services, highway improvements, bikeways, signal synchronization, and pedestrian improvements such as tree-planting and landscaping of transportation facilities.

Every two years, transit agencies and local jurisdictions throughout the county are invited to submit transportation projects each believes would most benefit the local community. Because the number of requests always exceeds the funds to pay for them, MTA planners must rank each request based on need and cost, and recommend to the Board of Directors a list of projects that is within funding parameters.

Examples of transit improvements that are the result of past calls for projects include HOV lanes, numerous park 'n' ride lots and transit centers, the Alameda Corridor project and MTA's soon-to-arrive compressed natural gas-powered buses.

This year, MTA received 425 requests at an estimated total cost of \$1.2 billion. Staff is expected to

recommend about 150 of the requests. Any project not making the cut during the current cycle can return for the next cycle.

As long as our population grows, and as long as technology changes, MTA's Planning and Programming department will remain busy.

Immediate goals include:

- ☐ Presenting to the MTA Board a cost-containment program focused on design, construction and operation costs, along with a balanced budget for FY 1996.
- ☐ Proposing a bus/rail operations plan that employs a public/private partnership, contracting out service, and/or turnkey agreements in the context of the long range plan.
- ☐ Defining the regional role of MTA in the delivery of transportation service, addressing implications of transit restructuring and MTA's role as coordinator, funder and primary operator.

All the while, the agency will work to ensure a continued flow of local, state and federal funding assistance in the face of cutbacks; find more ways to help improve our air quality; and fine-tune MTA's bus service to effectively integrate it with our growing rail network.