



Metro

Daily Brief

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Governor Schwarzenegger Issues the 2008 State of the State Address

Today, Governor Schwarzenegger presented his [State of the State speech](#) where he discussed the challenges of solving a \$14 billion budget deficit and identified that his budget proposal will include significant cuts to programs and no new taxes.

Recently, the Governor's office has placed a lot of emphasis in expanding the use of Public Private Partnerships and to permit the use of Performance Based Infrastructure; a concept which closely mirrors Public Private Partnerships. The Governor's office released the [attached statement](#) outlining these proposals. Given the size of the state budget deficit, we fully expect that the administration will seek to use transportation funds to balance the budget.

On Thursday the Governor will present his budget proposal which will provide more detail as to the specific cuts he will recommend. The Governor will also issue the proclamation declaring a fiscal emergency and calling the legislature into special session to address the emergency. This proclamation must be followed by legislation recommending specific remedies to the budget crisis.

Assembly Speaker Fabian Nuñez and State Senate President pro Tempore Don Perata presented the Democratic response to the speech highlighting that cuts alone cannot solve the budget deficit.

Congestion Pricing Proposals

Today, I along with Doug Failing of Caltrans met with reporters from the Los Angeles Times and the Daily News to brief them on our application to the Federal Transit Administration regarding our Congestion Pricing proposals.

We discussed that the Los Angeles region has been consistently ranked as the urban area with the worst traffic congestion in the nation. In 2003, peak-period freeway speed was 25 miles-per-hour. Projections indicate a decrease in speed to 21 miles-per-hour by 2035. If we don't come up with bold local solutions, everyone will suffer the consequences of gridlock.

We have the opportunity to secure more than half a billion dollars in federal funds to convert High Occupancy Vehicle lanes into High Occupancy Toll lanes as a demonstration project. The aim is to change commuting behavior to squeeze more capacity from our highways. Revenues from tolls would be used to enhance express buses and vanpools so commuters and others have driving alternatives and many solo drivers may opt to drive during off-peak hours. We also expect peak period travel time along the proposed corridors to improve by 30 to 50 percent.

The reporters were given a copy of the application that was submitted last week. Stories may appear tomorrow regarding our efforts to seek federal funds to implement the program.

Former Employee Pleads Guilty to Workers Compensation Insurance Fraud

A former employee pled guilty on January 7, 2008 in Los Angeles Superior Court to one count of felony workers' compensation insurance fraud. The employee, Eloise Catalano accepted workers' compensation benefits while simultaneously operating a catering business and did not report the business earnings to us, as is required under the law.

The judge accepted her plea and sentenced her to one year in county jail, which was eventually suspended, and to five years of formal felony probation. In addition, Ms. Catalano will be required to perform 200 hours of community service, pay court fees and pay restitution to us in the amount of \$20,000.

US Airways and Westways Magazines Feature Art Tours

The January 2008 issues of both US Airways and Westways magazines featured our popular docent guided art tours as a way to try out our Metro Rail system. The US Airways article stated that "Metro is the only transit agency in the world to offer this kind of excursion" and Westways encourages people to "leave your car behind" and use Metro to experience our city's attractions. Many thanks to our volunteer docents who make these tours possible.

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