



**FTA QUARTERLY REVIEW
BRIEFING BOOK**

June 10, 1999

Submitted By:

*Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, California 90012*

HE
4301
.F72
Q22
1999
Jun

MTA LIBRARY

AGENDA
FTA QUARTERLY REVIEW MEETING
Los Angeles County Metropolitan Transportation Authority
Thursday, June 10, 1999 - 10:00 a.m.
Gateway Conference Room - 3rd Floor

I. OVERVIEW

PRESENTER

- A. Organizational Issues
- B. Legislative Issues
- C. Legal Issues

II. METRO CONSTRUCTION REPORTS (Presentations should emphasize issues and efforts to resolve them with questions and answers to follow)

- A. Recent Events
- B. Metro Red Line Segment 2
- C. Metro Red Line Segment 3
 - 1. North Hollywood Extension
 - 2. Mid-City Extension
 - 3. East Side Extension
- D. Segment 1 Thin Tunnel Repair Work Completion Schedule
- E. Metro Blue Line ADA Compliance

Charles Stark
Alfonso Rodriguez

Dennis Mori
Kevin Michel
Charles Stark
Henry Fuks
Marilyn Morton

III. OPEN ACTION ITEMS

Jeff Christiansen

- A. FTA (Reference FTA letter dated March 15, 1999)
- B. PMOC (Reference March 1999 PMOC Monthly Report)
- C. Project Management Plan (PMP)

IV. RESTRUCTURING PLAN QUARTERLY REPORT

Allan Lipsky

(Reference Congressional Requirements for Quarterly Report on Restructuring Plan)

- A. Rail Projects (Covered above—Item II)
 - 1. Metro Red Line Segment 2
 - 2. Metro Red Line Segment 3 North Hollywood
- B. Bus Operations
 - 1. Consent Decree Compliance
 - 2. Accelerated Bus Procurement Plan vs. Actual
- C. Reforecasted Plan and MTA Budget
 - 1. New Long Range Transportation Plan for 2000
 - 2. Capital and Operating MTA Annual Budget
- D. Planning
 - 1. Corridor Studies of RTAA & Rapid Bus Status (East Side, Mid-City & S F Valley)
- E. Special Items
 - 1. Business Action Plans - Workout Team Progress

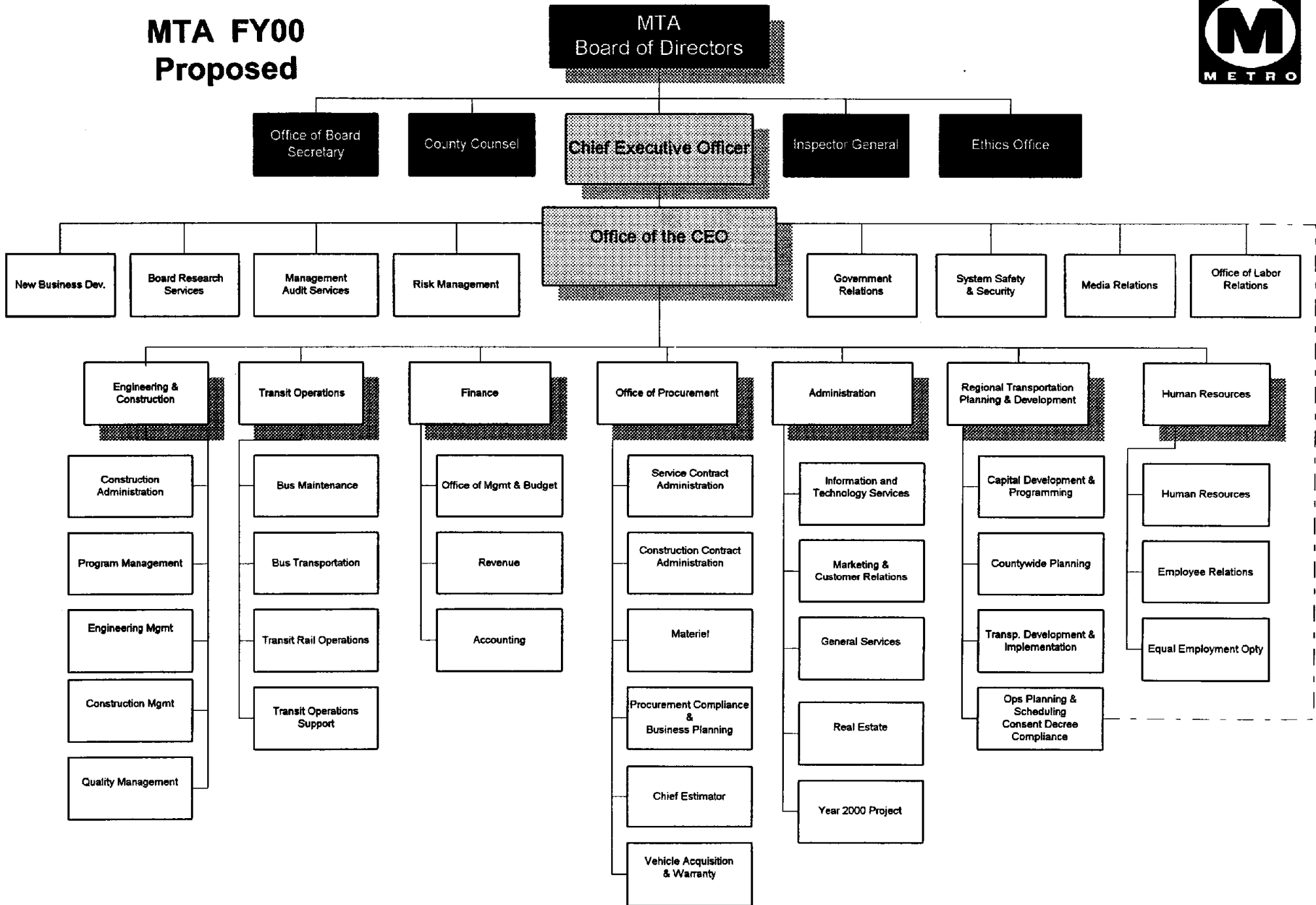
James de la Loza

V. PROPOSED SCHEDULE AND LOCATION OF NEXT MEETING:

Los Angeles County Metropolitan Transportation Authority
Tuesday, August 24, 1999 - 10:00 a.m.
Gateway Conference Room - 3rd Floor

LACMTA MANAGEMENT
ORGANIZATION CHART

MTA FY00 Proposed



METROPOLITAN TRANSPORTATION AUTHORITY

GOVERNMENT RELATIONS
1999/00 LOCAL, STATE AND FEDERAL LEGISLATIVE MATRIX
as of May 18, 1999

	LOCAL	
PROPOSALS/ACTIONS	DESCRIPTION	STATUS
\$200 million Agreement with the City of Los Angeles	The MTA and the Los Angeles City Council signed an agreement July 24, 1997, that committed the City to providing the MTA \$200 million over eight years to assist with the construction of the MTA's rail program.	The MTA and City of Los Angeles Chief Legislative Analyst (CLA) are currently negotiating the balance of the agreement. On May 4, 1999, the Los Angeles City Council unanimously adopted a resolution to formally direct city staff to amend the current agreement with the MTA. Negotiations between the MTA and the City of L.A. are continuing.
Valley Transportation Zone	On August 26, 1998, the Los Angeles City Council approved a motion to explore the feasibility of a transportation zone in the San Fernando Valley.	On February 25, 1999, the MTA Board voted to give the public, municipal transit agencies, transit unions and others an additional month to comment on draft guidelines for proposed new transit zone recommendations. The board will consider this motion at it's April 29, 1999 meeting. On April 29, the MTA Board approved the zone pre-applications but voted to adopt the Local Transit Zone Guidelines. Staff was directed to continue to work with the applicants to revise the guidelines. The board will consider the revised guidelines at it's May 27, 1999 meeting.

LOCAL

PROPOSALS/ACTIONS	DESCRIPTION	STATUS
<p>101 - 405 Freeway Interchange</p>	<p>The Los Angeles City Council established a task force to identify improvements and study solutions that could be in place within five years to relieve the traffic congestion at the interchange.</p>	<p>On November 19, 1998, MTA Board of Directors recommended a list of candidate projects for consideration by Caltrans for inclusion in the Interregional Transportation Improvement Program (ITIP).</p> <p>On January 21, 1999, the MTA Planning & Programming Committee adopted to provide a 20 % match to the \$13.1 million proposal to fund improvements for the interchange.</p> <p>On April 29, the MTA Board adopted the Planning & Programming Committee's recommendation to approve the Los Angeles county project list which prioritizes rebuilding 101-405 Interchange.</p>

Note the MTA Board may reconsider any item on this matrix

STATE ASSEMBLY

BILL/AUTHOR	DESCRIPTION	MTA POSITION	STATUS
AB 30 (Pescetti) LA 4/26/99	Appropriates \$100 million to the Office of Criminal Justice Planning to fund grants for the salaries and benefits of peace officers previously funded by a federal grant that expires on or before January 1, 2002. This bill could benefit the MTA by providing funding for existing and additional police officers to patrol our transit services.	Support	Hearing in Assembly Appropriations Committee, May 19
AB 38 (Washington) LA 4/20/99	Would extend the \$1 motor vehicle registration fee to the year 2004 for South Coast Air Quality Management District (SCAQMD) projects.	Support	Passed Assembly on May 13 In Senate
AB 44 (McClintock) LA 4/15/99	Mandates the re-designation of all existing High Occupancy Vehicles (HOV) as mixed flow-lanes and directs a study be conducted on the efficacy of HOV lanes.	Oppose	Held in Assembly Transportation Committee
AB 102 (Wildman/Hertzberg) LA 3/25/99	Provides 100 percent of the funding necessary to complete construction of the 1989 Retrofit Soundwall List.	Sponsor	Hearing in Assembly Appropriations Committee, May 19
AB 276 (Longville) LA 5/10/99	Would direct all sales tax proceeds derived from gasoline sales to the Public Transportation Account (PTA).	Support	Passed in Assembly Transportation Committee, on May 10 Assembly Revenue and Taxation Committee
AB 308 (Longville) LA 4/13/99	Would add the rehabilitation and reconstruction of rolling stock and transit capital infrastructure to the list of annual fund estimates.	Support	Placed on Assembly Appropriations Committee-suspense file, May 12

STATE ASSEMBLY

BILL/AUTHOR	DESCRIPTION	MTA POSITION	STATUS
AB 521 (McClintock)	Would redirect the state share of sales tax on gasoline currently allocated to the general fund to fund the construction and maintenance of mixed flow freeway lanes and increase the share of funding to cities and counties.	Neutral	Was not heard on April 19, in Assembly Transportation Committee
AB 682 (Margett)	A "spot" bill which currently makes non-substantive changes to MTA law.	Neutral	In Assembly
AB 923 (Hertzberg) LA 5/12/99	Measure relating to rail safety. Amended to mirror "red-light running," moving violations and increases fines with a portion to return to rail transportation authorities for safety programs.	Sponsor	Passed in Assembly Transportation Committee, May 10 Assembly Appropriations Committee
AB 958 (Scott) LA 5/12/99	Provides a clearer process for the utilization by local agencies of the design-build procurement authority established in 1996.	Support	Passed in Assembly Appropriations Committee, May 12
AB 1012 (Torlakson) LA 4/27/99	Streamlines the project delivery process at Caltrans and "spend downs" the over \$1.6 billion cash balance in the State Highway Account with a loan program for transportation agencies.	Support with Amendments	Hearing in Assembly Appropriations Committee, May 19
AB 1425 (Runner) LA 4/27/99	Provides that funding identified as the federal regional surface transportation program funds would not merely be added to the overall STIP for distribution, but rather be apportioned to metropolitan planning organizations, or in Southern California, to county transportation commissions based upon population.	Sponsor	Hearing in Assembly Appropriations Committee, May 19
AB 1473 (Hertzberg) LA 4/21/99	Streamlines the Director of Finance's report on the state's need for major capital projects.	Support	Hearing in Assembly Appropriations Committee, May 19
AB 1475 (Soto)	Provides a mechanism for local jurisdictions to access available federal safety-related funds for "Safe Routes to School" programs.	Support	Assembly Appropriations Committee's - suspense file on April 28

AB 1571 (Villaraigosa and Brulte)	Establishes the Carl Moyer Memorial Air Standards Attainment Program, a grant program for the purchase of low emissions heavy-duty engines.	Support with Amendments	Placed on Assembly Appropriations Committee-suspense file, May 12
STATE ASSEMBLY			
BILL/AUTHOR	DESCRIPTION	MTA POSITION	STATUS
AB 1593 (Villaraigosa)	A "spot" bill which currently makes non-substantive changes to MTA law.	Neutral	In Assembly, third reading
AB 1612 (Florez) LA 4/6/99	Directs \$300 million in State Highway Account (SHA) funds for local streets and roads rehabilitation and storm drainage repairs. This measure is identical to SB 10 (Rainey). Given the fact that these are identical, staff has noted a MTA position of neutral seek amendments.	Neutral seek Amendments	Placed on Assembly Appropriations Committee-suspense file, May 12
AB 1650 (Assembly Transportation Committee) LA 4/28/99	Omnibus Committee bill which includes the MTA's language relating to non-commuting bicycle riding on transit agency property. MTA staff worked with a state-wide bicycle organization to include clarifying legislation that the prohibition was not to dissuade bicycle commuters with valid permits from using rail and bus transit as permitted.	Sponsor	Amended in Assembly on April 28, re-referred to Assembly Appropriations Committee

Deferred = bill will be brought up at another time; Chaptered = bill has become law; LA = Last Amended; Enrolled = bill sent to Governor for approval or veto
Note: "Status" will provide most recent action on the legislation and current position in the legislative process.

STATE SENATE

BILL/AUTHOR	DESCRIPTION	MTA POSITION	STATUS
SB 10 (Rainey) LA 5/17/99	Directs \$300 million in State Highway Account (SHA) funds for local streets and roads rehabilitation and storm drainage repairs. This measure is identical to AB 1612 (Florez).	Neutral, seek amendments	Amended in Senate, May 17 Re-referred to Senate Transportation Committee
SB 14 (Rainey) LA 4/27/99	Requires the Department of Transportation (Caltrans) to complete a study setting forth criteria for determining the "effectiveness" of HOV lanes. Mandates that Caltrans cannot designate or construct any new HOV lanes until study is completed. Amended to a study bill only.	Oppose, unless amended	Placed on Senate Appropriations Committee-suspense file, May 17
SB 17 (Figueroa) LA 4/29/99	Provides a tax incentive for employers who subsidize transit passes for their employees by granting a tax credit equal to 40% of the employer's cost.	Support	Placed on Senate Appropriations Committee-suspense file, May 17
SB 63 (Solis) LA 4/13/99	Requires that Caltrans convert the High Occupancy Vehicle (HOV) lanes on the San Bernardino (I-10) portion of the El Monte Busway to a "2-person plus" minimum occupancy requirement rather than the "3-person plus" requirement.	Oppose unless amended	Referred to Assembly Transportation Committee
SB 65 (Murray) LA 3/23/99	Provides \$20 million in funds for transportation programs for CalWORKS recipients.	Support with amendments	Senate Appropriations Committee's - suspense file
SB 98 (Alarcon) LA 4/14/99	Would extend the \$1 motor vehicle registration fee to the year 2004 for South Coast Air Quality Management District (SCAQMD) projects.	Support	Hearing in Assembly Appropriations Committee, May 19

STATE SENATE

BILL/AUTHOR	DESCRIPTION	MTA POSITION	STATUS
SB 315 (Burton/Karnette) LA 4/28/99	Provides for \$16 Billion in four bond measures to be placed on the ballot. Part of a packet of measures, SCA 3 and SR 8, relating to funding for California's transportation capital needs.	Support	Passed in Senate, May 10 In Assembly
SB 364 (Perata) LA 3/24/99	Would extend the State and Local Partnership Program to July 1, 2000. The program is set to expire on July 1, 1999. The bill would also allocate up to \$200 from the State Highway Account (SHA) to fund projects already slated for funding only.	Neutral	Passed Assembly Transportation Committee Assembly Appropriations Committee
SB 532 (Senate Committee on Transportation) LA 4/29/99	Both Omnibus committee bill, which includes language relating to: (1) increasing MTA's threshold for advertising for bidders on contracts from \$25,000 to \$40,000; and, (2) increasing the MTA threshold for requiring price quotes on small purchases from \$1,000 to \$2,400.	Sponsor of MTA provisions	Passed Senate Transportation Committee, May 11 Senate Appropriations Committee
SB 601 (Karnette)	CTA sponsored state-wide bill which provides that transit agencies may use "competitive negotiation" to purchase buses.	Support/co-sponsor	In Senate, third reading
SB 677 (Polanco) LA 4/21/99	Provides for a partial and temporary exemption of the sales tax specifically for the MTA and its purchase of transit vehicles.	Sponsor	Held in Senate Revenue and Taxation Committee 2-year bill
SB 851 (Hayden)	Similar to SB 1886, this bill would establish seven transportation planning boards throughout the county to be the "sole and exclusive" planning entities for transportation and capital projects within given geographical areas.	Oppose	Held in Senate Transportation Committee on April 20, 2-year bill
SB 864 (Karnette)	A "spot" bill which currently makes non-substantive changes to MTA law.	Neutral	Senate Rules Committee
SB 1101 (Murray)	Would require the employees of any newly-created operating organizational unit to be part of the same collective bargaining agreements as represented by the MTA.	Oppose	In Senate, third reading

STATE SENATE			
BILL/AUTHOR	DESCRIPTION	MTA POSITION	STATUS
SB 1202 (Karnette)	Would require that in resolving issues relating to labor organization representation for the MTA, the State Director of Industrial Relations must define the term "employee" as including individuals employed as supervisors and managers. MTA will work with Karnette's staff to clarify and amend bill to reflect recent MTA actions in this regard.	Oppose unless amended	Senate Industrial Relations Committee
SB 1276 (Hayden) LA 5/11/99	Would provide that the MTA Board of Directors may not pass any agenda item "with less than seven affirmative" votes.	No position	Read second time in Senate Re-referred to Senate Transportation Committee
SCA 3	Would provide that local transportation sales taxes can be approved by a majority vote, rather than the 2/3rds vote required by state Constitution for tax measures. Part of a packet of measures, SR 8 and SB 315, relating to funding for California's transportation capital needs.	Support	Hearing in Senate Transportation Committee, May 18 Senate Constitutional Amendment Committee on 2/24/99
SR 8	Calls for an inventory of the state's transportation needs, provides a mechanism for identifying the high-priority projects for funding by the bond proceeds and for recommendations on how to enhance Caltrans project delivery. Part of a packet of measures, SB 315 and SCA 3, relating to funding for California's transportation capital needs.	Support	Adopted by the Senate on 2/19/99

Deferred = bill will be brought up at another time; Chaptered = bill has become law; LA = Last Amended; Enrolled = bill sent to Governor for approval or veto
Held in Committee = Dead for current calendar year, could be considered next calendar year

FEDERAL

BILLS	DESCRIPTION	STATUS
	FY 00 TRANSPORTATION APPROPRIATIONS	
FY 2000 Transportation Appropriations request	<p>MTA's request for FY 2000 Transportation Appropriations is as follows:</p> <ul style="list-style-type: none"> • \$50 million of Section 5309 Fixed Guideway-Discretionary Funding for the construction of Metro Rail Red Line, Segment 3, North Hollywood Extension; • \$9 million of Section 5309 Fixed Guideway-Discretionary funding for preliminary engineering, design and environmental work for future fixed guideway projects in the East Side and Mid-City corridors; • \$15 million in Section 5309 Bus and Bus Related Facilities Program Discretionary funding to assist the MTA in complying with the Bus Consent Decree and implementing the MTA's Accelerated Bus Procurement Plan; and, • \$10 million in Section 5308 Clean Fuels Bus Program funding to assist in funding the construction of additional CNG facilities and bus technology improvements. 	<p>Testimony was submitted to the House Subcommittee on Transportation Appropriations, March 26, 1999, and to the Senate Subcommittee on Transportation Appropriations, March 31, 1999.</p> <p>May 19, House and Senate Appropriations Committees acted on 302 (b) spending allocations for 13 subcommittees, Transportation Appropriations Subcommittee is one of the 13.</p> <p>Mark-up in the Senate Transportation Appropriations Subcommittee on May 25 and full committee action on May 27. The House mark-up has not been scheduled.</p>

WORKERS COMPENSATION
QUARTERLY REPORT



Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012-2952

April 8, 1999

Mr. Leslie Rogers
Regional Administrator
Federal Transit Administration
Region IX
201 Mission Street, Suite 2210
San Francisco, CA 94105

RE: WORKERS COMPENSATION QUARTERLY REPORT

Dear Mr. Rogers:

In an effort to manage and control Operations' workers' compensation costs, the following has been accomplished during the third quarter:

New Claims

Consistent with MTA's past experience, an average of 277 new workers' compensation claims have been reported to Travelers Insurance Company monthly. Improvement has yet to be realized on this aspect of the program. Initial emphasis focused on post-injury management and reducing the financial impact of claims. Attention is now being directed toward injury prevention.

To address MTA's claim frequency, the interdisciplinary workers' compensation Steering-Committee suggested accident prevention measures for implementation. Utilizing Transit Operations' "Professional Pride" concept, we will track each Division's time lost from work related injuries on speedometer signs, similar to those used to monitor improvements in service. Goals will be set with each Division as to an acceptable percentage of improvement.

Travelers and Operations Safety will conduct training sessions on ergonomic preventative measures to avoid cumulative trauma injuries. Such training will be provided to departments that have historically generated multiple claims of that nature. Other opportunities for training in loss reduction are being explored.

Safety, Risk Management and Operations have formed a partnership to increase the visibility of workers' compensation claims and reward employees who have not been involved in vehicular accidents or industrial injuries and who are highly regarded for customer service. A program will be developed to recognize Division achievement in all three

areas. Risk Management and Safety have committed to meeting with each Division Manager quarterly to discuss the Division's workers' compensation and vehicular accident results, providing guidance and training on loss prevention.

Travelers is dedicating resources locally and at their Home Office to assist in strengthening the loss prevention component of the workers' compensation program. Working closely with user departments, Travelers and Operations Safety, we believe that the high claim frequency trend can be reversed. We will continue to report on progress.

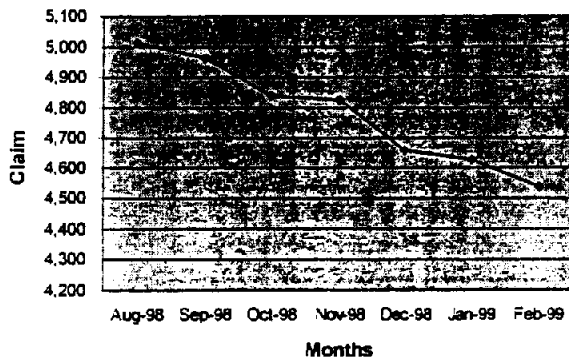
Self-Insured Claims

On September 1, 1998, Travelers received 5,020 open self-insured claims for administration. There are currently 4,536 remaining claims in that category. Internal controls focus on managing this exposure with whatever proactive means are available. Risk Management staff manages these files to economical closure. Monthly reimbursements to Travelers on these claims are closely managed. Procedures are in place whereby Travelers must receive authorization from Risk Management in order to settle claims valued in excess of \$10,000.

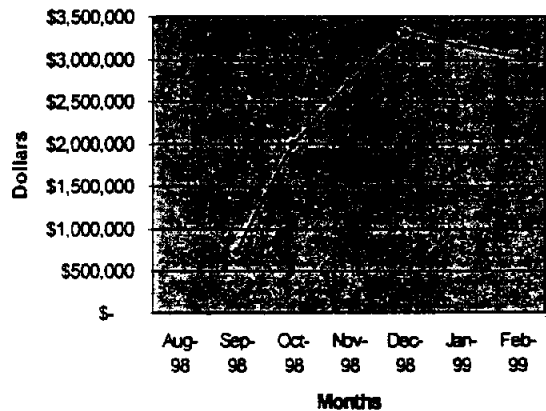
Reimbursement payments on self-insured claims have risen in recent months to levels experienced prior to Travelers' policy inception, primarily due to the "catch up" effort to bring statutorily required payments current after the transition from the prior Third Party Administrator. These payments are stabilizing as administrative issues are resolved. However, less opportunity for cost containment exists with older, more developed claims than in the newly incurred claims.

The following charts depict the self-insured open claims inventory, payments on those claims since September 1, 1998 and the decline in open claim inventory.

**Open Claims Inventory By Month
Self-Insured Claims**



**Payments By Month
Self-Insured Claims**



Self-Insured Reserves

The audit firm of Thompson, Cobb, Bazilio & Associates, Certified Public Accountants, has been hired to review the adequacy of our workers' compensation claim reserve. That report and an actuarial analysis of the audit results will be completed within one month.

Risk Management is investigating the cost and benefit of purchasing a stop loss policy to cap our liability for existing claims above an acceptable amount. The one time premium for such a policy would provide the MTA relief from future reserve fluctuations that are inherent to these old exposures. We will report further when additional information is received.

Recurrence Claims

In FY98, the MTA averaged 145 recurrences of existing claims every month, 35% of the total claims presented. The average monthly recurrence has fallen to 16.5 in the past 6 months. These claims are closely monitored by the Risk Management Department to ensure that no claims that belong in the fully insured program are charged as self-insured to the MTA. Staff receives weekly updates from Travelers on the claims that will impact the previous self-insured program. Risk Management continues its rigorous audit schedule of Travelers' claims to ensure adequacy and accuracy of claim reserves and handling.

Transitional Duty Program

The Transitional Duty Program, designed to reduce claim severity by returning injured employees to work while accommodating temporary medical restrictions, began operation on January 18, 1999. As of early March, 46 employees had participated in the program. The 14 of that number who returned to their normal duties did so 57% faster than anticipated by their treating physicians. This equates to a \$70 per day savings per employee in direct claim costs plus (pursuant to industry studies) five times that amount in indirect costs.

The quantification of indirect costs is a useful tool in tracking the total cost of workers' compensation to an organization. A report created by Warren, Gorham & Lamont, supported by numerous other studies, indicates that the average indirect costs of lost workdays resulting from industrial injuries can be 5 to 20 times greater than direct costs from the same injuries.

The major component of these indirect costs to the MTA is temporary labor and overtime to compensate for the absence of an injured employee. Other indirect costs include replacement training, attorney fees from wrongful termination claims, supervisory time related to injury and lost man hours, reduced unit productivity, long term disability costs and public relations problems.

The Transitional Duty Program is expected to pay for itself in reduction of future claims. Indemnity payments are fully insured through Travelers until September 1, 1999. After that date, a cost sharing arrangement will be in place between the MTA and Travelers. Reduced temporary disability and increased productivity from returning employees to work sooner will benefit both the insurer and the MTA. This is the single most important measure MTA can implement to drive workers' compensation costs down.

OIG Partnership

The OIG, Travelers and Risk Management have formed a partnership to address the issue of fraudulent workers' compensation claims. Several joint meetings have been held to form strategies on prevention and prosecution. Meetings have also taken place with the District Attorney to identify deficiencies in past submissions that have precluded prosecution. By improving the quality of submissions to the District Attorney, our chances of successful prosecutions are greatly improved.

A 1-800 phone number will be created by Travelers as a hotline to report workers' compensation fraud. Posters will be placed at each Division, heightening visibility to the fact that workers' compensation fraud is a crime and will be prosecuted. Travelers has increased staff within their Special Investigation Unit to more aggressively investigate and prosecute workers' compensation fraud at the MTA.

Morale Committee

It is well-known within the insurance industry that an organization's morale affects claims. In the instance of workers' compensation, this "morale hazard" can significantly impact a program.

MTA's Chief Executive Officer has formed a Morale Committee to address the issues responsible for low morale. The Managing Director of Risk Management is a participant in the Morale Committee. Addressing those issues will aid the workers' compensation program and the Agency as a whole.

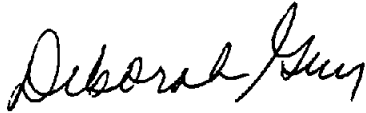
SUMMARY

To recap Risk Management's third quarter efforts in the area of workers' compensation:

1. An interdepartmental effort between Safety, Operations and Risk Management has been implemented to focus on each Division's workers' compensation results and reward those who demonstrate improvement.
2. The number of pending claims has reduced under the self-insured program from an initial 5,020 to 4,536.
3. Risk Management is researching the purchase of a stop loss insurance policy to cap MTA's exposures on self-insured claims.

4. Recurrences are being managed and are significantly lower than in the past.
5. The Transitional Duty Program is in place. It is anticipated that significant savings will be realized from its implementation.
6. The OIG, Travelers and Risk Management have formed a partnership to control workers' compensation fraud.
7. We are actively participating in the Morale Committee to reduce that exposure to workers' compensation claims.

Sincerely,



Deborah Guy, ARM, CPCU
Managing Director, Risk Management

**ADVANCED LAND ACQUISITION PROGRAM (ALAP) PARCELS
METRO RAIL PROJECT - MOS-2
CA-90-0022**

STATUS REPORT AS OF 3/31/99

**1. Parcel A1-250/Wilshire Vermont Station
Wilshire/Western Station**

The MTA received responses to the Request For Proposals for procuring real estate consultant expertise to assist in determining the most appropriate steps to attract and implement a joint development at selected rail station sites. Five firms will be recommended to the MTA Board in May to make up the Joint Development consultant bench. Staff will then enter into contracts with a firm from the bench to assist in assessing joint development potential, options and strategies for the Wilshire/Western, Wilshire/Vermont and Universal Stations.

No specific joint development project is being considered for the Wilshire/Western or Wilshire/Vermont Stations at this time.

2. B-102 and B-103 - Temple Beaudry

The construction of a new Cash Counting Facility was included in the Capital Improvement Plan (CIP) for FY'00. The Temple Beaudry site is the recommended location for this facility. Staff is currently performing due diligence to determine the environmental and geotechnical condition of the parcels.

3. A1-300 and A2-301 - Wilshire/Crenshaw

Since the last report, Real Estate has been requested to hold off on the sale of these two parcels. The appraisal and environmental investigation were not completed pending resolution of the use of the parcels. Consideration is being given to using this location as a future Rapid Bus Station. In addition, the Regional Rail Transit Alternative (RRTA) identified the possibility of extending the Metro Red Line west under Wilshire Boulevard to this location from the Wilshire Western Station. In addition, discussions are underway with the Los Angeles Unified School District to lease the site on an interim basis.

4. A2-362 - Wilshire/La Brea

FTA concurred with MTA's decision to issue a Request for Proposal (RFP) for joint development of this parcel. Staff is obtaining a appraisal of the site and a Phase One environmental investigation. Prior to issuing an RFP for development proposals, a consultant

will be retained to provide economic development and market analyses services (see first item above). After this data is available, a focused RFP will be issued for this parcel which will seek to obtain proposals that will yield the highest and best economic use of the parcel.

5. **Parcels A4-755, A4-765, A4-767, A4-772, A4-774, A4-761 - Universal City Station
C4-815 - North Hollywood Station**

The MTA is currently soliciting development advice and guidance in anticipation of construction completion in the year 2000 and in response to recent interest from the development industry about station area development opportunities. A consultant will be selected to assist developing the RFP for the development of the Universal Station after the panel is approved by the Board in May.

**LACMTA EXCESS REAL PROPERTY
METRO RAIL PROJECT - MOS-1
CA-03-0130**

1. Parcels A1-015, A1-016, and A1-021

Parcels A1-015 and A1-016 are still being used in support of Segment 2 and Segment 3 construction and are expected to continue to be used in support of MTA operations. Parcel A1-021 has been leased to an adjacent property owner until a determination is made for its long term requirements. If it is determined that the parcel is not needed for MTA construction or operational requirements, the parcel will be recommended for disposition.

2. Parcel A1-209, A1-211, A1-220, A1-221/225, A1-222 and A1-224 - Alvarado Station

The Master Plan Joint Development Project located at the Wilshire Alvarado Station has secured 9.8 million dollars in funding for the construction of the Westlake MacArthur Park Intercept Intermodal Facility. The funding is to be spent on a 600-650 parking structure and pedestrian enhancements/linkages to the station.

A Request for Proposal for the bid documentation of the design/build contract was issued in February 1999. Over 30 firms responded with interest and over 20 firms attended the pre-bid conference held on April 8th. The bids will be reviewed and a consultant will be selected in June, 1999. The design/build contract is estimated to be released in November, 1999 with a contract finalized in April, 2000.

The release of the RFP was delayed one month. During this month, the MTA considered using in house staff to perform design services described in the RFP. Although in house staff was not able to fully commit personnel to the project, they did identify some engineering constraints of the project due to the location of the station box. This assisted the MTA in narrowing the scope of the RFP.

The non-profit corporation, Transit Community Development Corporation (TCDC) has taken the lead on the purchase of adjacent properties utilizing the EDA grant of 3.4 million awarded to the City of Los Angeles. The TCDC has made formal proposals to each of the property owners. The property owners will have until the end of April to respond. The acquisition of these properties will assist the project in attracting potential grocery market developers.



May 13, 1999



Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012-2932

(213) 922-2000

Mr. Leslie T. Rogers
Regional Administrator
Federal Transit Administration
Region IX
201 Mission Street, Suite 2210
San Francisco, CA 94105

Attn: Mr. F. James Kenna
Deputy Regional Administrator

**MAXIMUM FEDERAL PARTICIPATION AND
LOS ANGELES METRO RAIL RED LINE FULL FUNDING
GRANT AGREEMENTS**

Dear Mr. Rogers:

Recently, Federal Transit Administration (FTA) Region IX staff raised concerns regarding the maximum federal participation allowed in the Full Funding Grant Agreements (FFGAs) for the Los Angeles Metro Rail Red Line, in particular for Segments 2 and 3. These concerns focus on whether the Los Angeles County Metropolitan Transportation Authority (MTA) has exceeded the maximum federal funding participation stated in the FFGAs.

It is important to point out that there are two sources of federal funding that are addressed in the FFGAs:

1. Federal Section 5309 New Start funds; and
2. Other federal funding sources, i.e. Surface Transportation Program(STP)/Congestion Mitigation and Air Quality (CMAQ) Program funds.

The Segment 2 and Segment 3 FFGAs clearly limit Federal-Section 5309 New Start funds to maximum amounts. For Segment 2, this maximum amount is **\$667,000,000** (see Enclosure A) and for Segment 3, the amount is **\$1,416,490,000** (see Enclosure B). However, the FFGAs also give the MTA the ability to use other additional non-discretionary federal funds as needed to complete the project. The Segment 2 and Segment 3 FFGAs (see Enclosure C-Section 9A and Enclosure D-Section 8C and 10(f)) specifically indicate that the limitation on Section 5309 funds does not apply to federal funds transferred from ISTEA Title I (STP/CMAQ). Those FFGAs also allow the grantee to change the amounts to be received from its non-federal sources and under Title I, if the total amount of non-federal and Title I funds is not decreased. Therefore, the MTA has the ability to increase the federal participation on the projects by allocating STP and CMAQ funds, if sufficient local funds are available to provide the statutory match for the STP, CMAQ and Section 5309 funds.

Mr. Leslie T. Rogers

May 13, 1999

Page 2

As a further point of clarification, the California Transportation Commission has on several past occasions chosen to allocate STP funds to the MTA in lieu of State Highway Account funds. The CTC also has indicated that it will use STP funds primarily to meet its remaining obligations to Segment 3.

For your information, we have enclosed a summary of STP and CMAQ grants approved and pending FTA approval for Segments 2 and 3 (see Enclosure E). This summary demonstrates that the FTA regularly has approved additional federal funding for Segments 2 and 3 outside of the Section 5309 New Start Program. Both Segment 2 and Segment 3 will be completed and opened soon in June 1999 and May 2000, respectively. We do not understand, at this late stage, the reason for the concerns.

I believe this information will address whatever concerns the FTA may have on this subject. If you have any questions, please call me at (213) 922-2456 or Brian Boudreau at (213) 922-2474.

Thank you.

Sincerely,



FRANK FLORES
Deputy Executive Officer
Capital Development and Programming

s:\grants\ubrian\docs\l-max\fd

Enclosures (5)

cc: Renee Marler, FTA Region IX
Kent Woodman, ECSM
Terry Esteb, Hill International

Section 9 MAXIMUM GRANT - FEDERAL COMMITMENT OF FUNDS

(a) Subject to the terms and conditions of this Agreement and the provisions of the Act, the Government hereby commits and obligates Fiscal Year 1988 funds in the amount of \$43,526,014; Fiscal Year 1989 funds in the amount of \$147,260,000; and Fiscal Year 1990 funds in the amount of \$138,882,099, as set forth below. An additional \$1,656,624 has been previously allocated by the Government to fund Project Management Oversight pursuant to Section 23 of the Act.

Grant Funds	Project Management Oversight Allocations
FY 1988 \$43,526,014	\$218,724
FY 1989 \$147,260,000	\$740,000
<u>FY 1990 \$138,882,099</u>	<u>\$697,900</u>
TOTALS: \$329,668,113	+ \$1,656,624 = \$331,324,737

(b) Subject to the availability of funds from the Congress as well as the terms and conditions of this Agreement and the provisions of the Act, the Government intends to provide by no later than September 30 of each succeeding fiscal year an amount not to exceed the total annual amount set forth below of funds authorized by Section 3 of the Act:

<u>FY 1991</u>	<u>\$337,331,883</u>
TOTAL	\$337,331,883

(c) Except as provided in Sections 8 and 11 of this Agreement, the Government's maximum financial participation in the Project is \$667,000,000 in funds authorized by Section 3 of the Act.

(d) Pursuant to Section 23(a) of the Act, the grant amount in subsection (b) may be reduced by an amount not to exceed five-tenths of one percent (.5%) to provide funds for Project Management Oversight.

Section 10 GRANTEE COMMITMENT OF LOCAL FUNDS

(a) The Grantee commits local share in the amount of \$109,889,371 as the match for the Federal funds for the Project committed by the Government under Section 9(a) of this Agreement.

MOS-3 FFGA

CA-03-0392-01
CA-90-X575-01
PAGE 10

SECTION 8 LIMITATIONS OF THE FEDERAL FUNDING COMMITMENT

(a)(1) With the execution of this Agreement in May 1993, the Government awarded \$59,550,000 in Federal financial assistance from 49 U.S.C. §5309 and \$21,326,000 from Title I of the ISTEA for the Project (the Maximum Federal Funds Approved on the Date of the Agreement). The sources of this Federal financial assistance are set forth in the Approved Project Budget and Attachment 6.

(2) With the execution of the amendment to this Agreement, the Government awards an additional \$133,424,060 in Federal financial assistance 49 U.S.C. §5309 and \$20,000,000 from Title I of the ISTEA.

(b)(1) With the execution of this Agreement, the Government also acknowledges its intent to provide Federal assistance to the Project in addition to the amount set forth in Paragraph (a) of this Section. The amount of additional funds from Section 3 of the Act that the Government may provide will not exceed \$502,025,940 except as provided for in this Agreement under Section 8A, Contingent Commitment, Section 8B, Advance Construction Authority, and Section 9, Extraordinary Costs. The anticipated sources of Federal financial assistance of this additional amount are listed in Attachment 6 of this Agreement, Schedule of Federal Funds for the Project. All funds obligated pursuant to this Paragraph or pursuant to Section 8B, Advance Construction Authority, or Section 9, Extraordinary Costs, will be subject to all the terms, conditions and obligations set forth in this Agreement. Accordingly, it is expected that the award of additional funds will be processed as amendments to this Agreement.

(2) The award by the Government of additional Federal financial assistance to the Project under Paragraph (b)(1) of this Section, pursuant to the contingent commitment under Section 8A, as reimbursement of Advance Construction Authority under Section 8B, or as Extraordinary Costs under Section 9 of this Agreement is subject to the following limitations:

- (A) the availability of funds from Congress;
- (B) the Grantee's continued performance under the terms and conditions of this Agreement; and
- (C) the satisfactory adherence to the Project schedule.

(c) The Maximum Federal Financial Contribution in this Project is limited to \$695,000,000 which is the sum of the amounts set forth in Paragraphs (a) and (b)(1) of this Section, except as may be provided under Section 8A, Contingent Commitment, Section 8B, Advance Construction Authority, and Section 9, Extraordinary Costs.

* SECTION 8A CONTINGENT COMMITMENT OF ADDITIONAL FEDERAL FUNDING

(a) With the execution of an amendment to this Agreement, the Government also acknowledges its intent to provide \$186,490,000 in Federal financial assistance beyond the amounts currently authorized for the Project by the ISTEA, and in addition to the amounts set forth in Section 8 of this Agreement, Limitations of the Federal Funding Commitment.

(b) This acknowledgment of the Government's intent to provide an additional \$186,490,000 to the Project, from funds that may be authorized by law following the expiration of ISTEA, constitutes a "contingent" commitment of additional Federal financial assistance pursuant to the authority established by 49 U.S.C. §5309(g) (formerly §§3(a)(4) of the Federal Transit Act, 49 U.S.C. app. §§1602(a)(4)). The award of these additional funds under 49 U.S.C. §5309(g) is and will be contingent upon future availability of budget authority to obligate such additional funds from future budget authority specified in law. This contingent commitment of funds under 49 U.S.C. §5309(g) does not constitute an obligation of the United States.

* SECTION 8B ADVANCE CONSTRUCTION AUTHORITY

(a) The Grantee may construct any portion of the approved Project scope, as defined in Attachment 1, in accordance with the advance construction authority provisions of 49 U.S.C. §5309(n) and Section 3034(b)(5) of the ISTEA.

(b) The Grantee may use advance construction authority for the Project in an amount not to exceed the sum of \$535,000,000, plus the difference or shortfall (if any) between the Federal grant amounts set forth in Section 6(c) of this Agreement for fiscal years 1994 through 1997 and the amount of Federal funds actually obligated to the Grantee in those fiscal years.

(c) As specified in Section 3034(b)(5)(C) of the ISTEA, if the Grantee uses advance construction authority under Paragraph (b), the Government shall convert such authority into a grant and shall reimburse the Grantee in fiscal years 1998, 1999 and 2000 for the Federal share of the amounts expended by the Grantee (plus any eligible interest under 49 U.S.C. §5309(n)(2)) subject to the limits on contingent commitments in 49 U.S.C. §5309(g) and the availability of funds from Congress.

Special Condition:

The MOS-2 Full Funding Grant Agreement is amended as follows:

1. Add a new Section 9A to the FFGA:

* Section 9A - FEDERAL FUNDING - OTHER SOURCES

The Grantee may utilize Federal funds under Title I of the Intermodal Transportation Efficiency Act of 1991 (ISTEA), including Surface Transportation Program funds, to assist in carrying out the Project. The limitation on the Federal funding commitment set forth in Section 9 of this Agreement shall not apply to the use of such Title I funds. Accordingly, funds provided to the project under Title I are excluded from the calculation of the government's maximum financial participation under Section 9

2. In existing Section 10, strike out subsection (e) and insert in lieu thereof the following two new subsections:
 - (e) In providing the State funds identified in subsection (d), the California Transportation Commission may utilize funds made available under Title I of ISTEA, as well as funding resources available to the State.
 - (f) The Grantee may in its discretion, change the amounts to be received from its non-Federal sources and under Title I of ISTEA, provided that the total amount of funding contribution to the Project from non-Federal and Title I sources shall not be decreased and such funds are available to advance the Project according to the Project schedule.

JAN 0 6 1995

OBLIGATION DATE

REGIONAL ADMINISTRATOR

MOS-3 FFGA

* SECTION 8C FEDERAL FUNDING - OTHER SOURCES

(a) The maximum Federal funds approved on the date of the amendment to this Agreement include \$41,326,000 in funds transferred from Title I of the ISTEA. Anticipated additional Federal assistance for the Project from Title I of the ISTEA is listed in Attachment 6 of this Agreement. All funds obligated pursuant to this Section will be subject to all the terms, conditions and obligations set forth in this Agreement.

(b) The limitation on the Federal funding commitment set forth in Section 8 of this Agreement does not apply to Federal funds transferred from Title I of the ISTEA. Accordingly, funds provided to the Project under Title I are excluded from the calculation of Maximum Federal Financial Contribution.

SECTION 9 EXTRAORDINARY COSTS

(a) By the terms of this Agreement, the Government limits its financial contribution in the Project in fiscal years 1993 through 1997 to the amount stated as the Maximum Federal Financial Contribution in this Agreement at Section 8, Limitations of the Federal Funding Commitment. Subject to the availability of formula or entitlement funds appropriated for the benefit of the Grantee, the Government may award additional Federal funds to assist in the funding of Extraordinary Costs under the terms and conditions as defined in this Section.

(b) The determination to fund Extraordinary Costs shall be made at the discretion of the Government on a case-by-case basis. Additional assistance is limited to costs identified as Project Costs and determined to be Extraordinary Costs under the conditions of Paragraph (c) of this Section. The maximum amount of additional assistance shall be limited to the legally allowable Federal share of an amount not to exceed the difference between the total Net Project Cost and the Estimated Net Project Cost of the Total Project. The amount of additional assistance will be calculated and payable to the Grantee as determined appropriate by and at the discretion of the Government. Further, the Government will not commit to or make a grant for Federal funds for Extraordinary Costs unless or until the Project Costs (the amount of incurred or expended cost as defined in Section 1A of this Agreement) actually exceed the Estimated Net Project Cost of the Total Project.

(c) Extraordinary Costs are Project Costs in excess of the Estimated Net Project Cost of the Total Project and directly attributable to one or more of the following circumstances:

(1) inflation beyond the rate applied to calculate the Estimated Net Project Cost of the Total Project as said rate is stated in the Baseline Cost Estimate;

(d) Given the Estimated Net Project Cost of the Total Project, as set forth in Section 7 of this Agreement, the Grantee's financial commitment to the Net Project Cost is estimated to total \$987,451,000. This amount constitutes the Local Share needed to match the Maximum Federal Financial Contribution as set forth in Section 8, the additional Federal assistance provided under Section 8A, Contingent Commitment, Title I ISTEA funds provided to the Project, and the Local Share of advance construction authority expenditures under Section 8B. In the event that the actual Federal financial contribution in the Project is reduced or is increased or the funding percentage is changed, the Local Share shall be adjusted accordingly.

(e) The Grantee agrees to notify the Government of any change in circumstances or commitments which adversely affects the Grantee's plan to fund the Project Costs necessary to Complete the Project as set forth in the Financing Plan. In its notification, the Grantee shall advise the Government of what actions it has taken or plans to take to ensure adequate funding resources and shall reaffirm its commitment to the Government as set forth in Paragraph (b) of this Section.

(f) The Grantee in its discretion may change the amounts to be received from its non-Federal funding sources and under Title I of ISTEA pursuant to Section 8C, provided that the total amount of funding contributed to Project from non-Federal and Title I sources shall not be decreased and such funds are available to advance the Project according to the Project schedule.

SECTION 10A CAPITAL RESERVES

(a) With the execution of this Agreement and the acceptance of the Government's award of Federal financial assistance, the Grantee assumes substantial financial obligations including the financial risks of unforeseen and underestimated costs. To assure the Grantee's financial capacity to assume these obligations and associated risks, the Grantee agrees to establish Capital Reserves as described in Attachment 6A of this Agreement to supplement the financial resources committed by the Grantee in Section 10 of this Agreement, Local Financial Commitment - Capital Costs.

(b) The Grantee agrees that, during the period of Construction of the Project, the Project will be the first priority for use of amounts in the Capital Reserves, and that expenditures from the Capital Reserves will be limited to the payment of additional costs (costs in excess of the estimated amounts) to Complete the Project.

SECTION 11 AUTHORIZATION TO ADVANCE PROJECT WITHOUT PREJUDICE

The Grantee may incur costs or expend local funds for all phases of the Project as is reasonably necessary to advance the Project prior to an award of Federal funding assistance without

METRO RAIL RED LINE
SEGMENTS 2 AND 3

FEDERAL STP/CMAQ FUNDING SUMMARY

GRANTS	OBLIGATION DATE	AMOUNT	TYPE OF FUNDS
<u>MOS-2</u>			
CA-90-X642-01	1/6/95	52,100,000	STP
<u>MOS-3</u>			
CA-90-X575	5/14/93	21,326,000	RSTP
CA-90-X575-01	12/28/94	20,000,000	CMAQ
CA-90-X575-02	6/9/95	20,000,000	CMAQ
CA-90-X575-06	8/27/97	75,000,000	STP
CA-90-X575-06	8/27/97	20,000,000	CMAQ
CA-90-X575-07	2/8/99	20,694,961	CMAQ
CA-90-X575-08	Pending	124,344,400	STP
Total MOS-3		<u>\$301,365,361</u>	

s:\grants\ubrian\misc\mrstpcmaq

5/12/99



Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012-2932

(213) 922-2000

March 2, 1999

Mr. F. James Kenna
Deputy Regional Administrator
Federal Transit Administration
Region IX
201 Mission Street, Suite 2210
San Francisco, CA 94105

**METRO RAIL RED LINE SEGMENT 3
FULL FUNDING GRANT AGREEMENT**
Schedule of Federal and Local Funds

Dear Mr. Kenna:

At the February 9, 1999 Federal Transit Administration (FTA) Quarterly Progress Review meeting, you requested a revised copy of Attachment 6, Schedule of Federal and Local Funds, from the Full Funding Grant Agreement (FFGA) for the Metro Rail Red Line Segment 3 East Side and Mid-City Extensions. Enclosed are the current draft schedules for the East Side and Mid-City Extensions, as well as the North Hollywood Extension (Attachments 6A, 6B, and 6C).

Please note that both the East Side and Mid-City Extensions have been suspended, so a full funding plan for these extensions is not currently available. The enclosed draft schedules reflect the federal and local funds received for the extensions, and the balance of funds committed for future years. We expect that once a new Locally Preferred Alternative is selected for these corridors, we will be negotiating a revised and restated FFGA with the FTA to incorporate the projects.

We welcome the opportunity to discuss this draft information with you. Should you have any questions, please call Brian Boudreau at (213) 922-2474.
Thank you.

Sincerely,

FRANK FLORES
Deputy Executive Officer
Capital Development and Programming

Enclosures (3)

s:\grantsu\brian\docs\l-attachment6

cc: Erv Poka, FTA Metro Office
Terry Esteb, Hill International

DRAFT

ATTACHMENT 6-A

METRO RAIL RED LINE SEGMENT 3 NORTH HOLLYWOOD EXTENSION Schedule of Federal and Local Funds

Fiscal Year	Federal			State			Local		Total
	Section 5309	State STP	Regional STP/CMAQ	SHA	Prop. 116	TSM	Prop C	City of LA	
Pre-1999	471,141,107	50,000,000	59,679,261	74,655,500	57,652,000	10,536,645	178,159,000	55,445,690	\$957,269,203
1999	61,624,426	124,344,450	20,694,961	16,155,550			24,090,000	8,715,000	\$255,624,387
2000	50,000,000							25,839,310	\$75,839,310
2001	50,000,000						(27,910,900)		\$22,089,100
2002	48,271,467						(48,271,467)		\$0
Total	\$681,037,000	\$174,344,450	\$80,374,222	\$90,811,050	\$57,652,000	\$10,536,645	\$126,066,633	\$90,000,000	\$1,310,822,000

s:\grants\ubrian\spreadsheet\attach6nh

3/1/99

DRAFT

ATTACHMENT 6-B

METRO RAIL RED LINE SEGMENT 3 EAST SIDE EXTENSION Schedule of Federal and Local Funds(1)

Fiscal Year	Federal			State			Local		Total
	Section 5309(2)	State STP	Regional STP/CMAQ(3)	SHA	Prop. 116	TSM	Prop A/C(3)	City of LA	
Pre-1999	71,345,877	25,000,000	20,000,000				58,339,000		\$174,684,877
1999							(28,084,000)		(\$28,084,000)
Post-1999	421,544,123		92,800,000				35,200,000		\$549,544,123
Total	\$492,890,000	\$25,000,000	\$112,800,000	\$0	\$0	\$0	\$65,455,000	\$0	\$696,145,000

- (1) Project is currently suspended therefore a full funding plan is not available.
- (2) Assumes the balance of Section 5309 funds under the Segment 3 FFGA are available.
- (3) Post-FY1999 CMAQ/RSTP and Proposition A/C funding allocations based on the RTAA.

s:\grants\brian\spreadsheet\attach6es
3/1/99



April 20, 1999

Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012-2932

Phone: 213.922.6000

Mr. Leslie T. Rogers
Regional Administrator
Federal Transit Administration
Region IX
201 Mission Street, Suite 2210
San Francisco, CA 94105

Dear Mr. Rogers:

Several MTA departments within both Rail Operations specifically and the overall Operations Department continue to support the myriad of tasks leading up to a successful revenue operations date. Rail Operations continues to focus its efforts in several specific areas, i.e., recruitment of operating personnel, availability of rail revenue rolling stock, the TRACS or central train control and monitoring system, the Uninterruptable Power Supply (UPS) system and working along with construction staff to assure completion of Phase I systems integration testing prior to ROD.

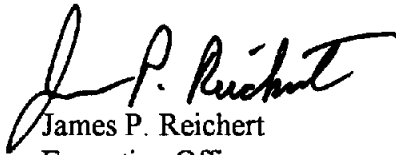
Since the Phase 2 systems integration testing will not be completed by ROD and wherein the various functions within each station normally are monitored and controlled centrally at the Rail Operations Control Center (ROC), those station functions will be monitored and controlled locally through the manning of the Emergency Management Panels (EMP's) and the Local Control Panels (LCP's) within each station. Recruitment, hiring and training of personnel to operate these functions will be completed prior to the commencement of pre-revenue operations. By June 12, 1999, the commencement of revenue operations, Rail Operations will have the capability to man all station functions on the Metro Red Line. All other personnel requirements have been satisfied through the recruitment and training of specialists and inspectors to maintain the rolling stock and wayside systems.

According to schedule requirements, the MTA will need to be prepared to operate and maintain up to 66 heavy rail vehicles for this extension into Hollywood; this compares to the current 30 car requirement for the system operated today. The 36 additional cars have been received, tested and accepted for revenue service. While several issues remain affecting long term reliability, such as propulsion and door issues, these cars can be operated safely. While their reliability is well below that of the current heavy rail fleet as far as miles between mainline failures is concerned their reliability is improving everyday.

The TRACS system is critical to Rail Operations to monitor and control the safe, reliable and efficient operation of the heavy rail system. However, as noted above, not all of the station functions in the Metro Red Line Segment 2B extension will be controlled centrally and, as such, Rail Operations will rely upon local panel operators. It is significant to note that traction power and switching will be both monitored and controlled centrally through TRACS at the ROC. Finally, as a result of an incident that occurred last month in the Segment 2A portion of the Metro Red Line affecting critical fire/life/safety systems, the MTA has reviewed its equipment and system design not only within the Segment 2A portion, but also in the Segment 2B extension which is similar in design. As a result, a modification to the Uninterruptable Power Supply (UPS) system is being made to assure its functioning during a potential emergency. These UPS system improvements in both Segments 2A and 2B will be completed by the commencement of pre-revenue operations.

In conclusion, Rail Operations continues to work closely with its Construction colleagues and the safety staff to assure a safe, reliable and efficient extension to the heavy rail system.

Sincerely,

A handwritten signature in black ink, appearing to read "J. P. Reichert". The signature is written in a cursive, flowing style with a prominent initial "J".

James P. Reichert
Executive Officer
Transit Operations



COUNTY OF LOS ANGELES
OFFICE OF THE COUNTY COUNSEL

848 KENNETH MAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET
LOS ANGELES, CALIFORNIA 90012-2713

LLOYD W. PELLMAN, COUNTY COUNSEL

TELEPHONE
(213) 922-2528

TELECOPIER
(213) 922-2530

April 8, 1999

Address Reply to:
One Gateway Plaza, 24th Floor
Los Angeles, CA 90012-2930

Renee Marler, Esq.
Regional Counsel, Region IX
FEDERAL TRANSIT ADMINISTRATION
201 Mission Street
Suite 2210
San Francisco, California 94105

Re: Quarterly Update on Status of Key Legal Actions


Dear Renee:

Attached please find the quarterly update as of March 31, 1999, on the Status of Key Legal Actions Related to Federally Funded Projects.

Please call if you have any questions (213) 922-2528.

Very truly yours,

LLOYD W. PELLMAN
County Counsel

By: 
NINA J. WEBSTER
Principal Deputy County Counsel

NJW:db

Attachment

Los Angeles County Metropolitan Transportation Authority
 Status of Key Legal Actions Related to Federally Funded MTA Projects
 Date as of March 31, 1999

CASE NAME	CASE NUMBER	GRANT NUMBER	NARRATIVE	CASE STATUS
Beauchamp, Larry, et al. v. LACMTA, et al.	CV 8 0402 CNB (BQRx)	ALL	Plaintiffs, disabled bus patrons, allege MTA and its contractor, Ryder/ATE, violated the ADA and section 504 of the Rehabilitation Act by failing to maintain bus wheelchair lifts and related equipment. Plaintiffs seek damages and an injunction requiring full and equal access.	Motion for Preliminary injunction issued; discovery initiated;
Engineering Management Consultant ("EMC") v. MTA	BC207617	CA-03-0341, CA-90-X642 and CA-90-X575, CA-03-0392	Breach of contract case. EMC, the designer for the subway system, is suing MTA alleging breach of contract, breach of implied covenant of good faith and fair dealing and requesting declaratory relief on certain contract issues.	Complaint served 03/25/99.
Fonseca, Jose, et al. v. MTA	BC195151	MRL-CA-90-X575, CA-03-0392 Eastside Extension	Petition for Writ of Mandate by East L.A. residents and community groups to halt further demolition of structures acquired for subway construction and to compel implementation of mitigation measures. Trial 4/19/99.	Trial pending.
Gerlinger (MTA) v. Parsons Dillingham	BC150298, etc.	MOS-1 and CA-03-0341, CA-90-X642	Qui Tam action. Concerns allegations of overbilling by MTA's construction Manager, Parsons-Dillingham. County Counsel joined as prosecuting Authority for MTA. MTA has also filed its own lawsuit (BC 179027) against Parsons-Dillingham for breach of contract, fraud and accounting. October 1999 Trial date.	Discovery Stage.
Hanneken v. MTA; Universal Hyundai v. MTA; Nhut Dang v. MTA;	BC116625 BC142385 BC153683	CA-03-0341, CA-90-X642; CA-90-X575, CA-03-0392; CA-03-0341, CA-90-X642;	These cases involve owners, merchants and tenants who claimed damages caused by MTA construction activities on Hollywood, Vermont and Lankershim Blvds and Runyon Canyon. All of the property owner cases in the Hollywood area where the most significant subsidence occurred (6500 Block) have been settled by the MTA's insurance carrier. The remaining cases are being negotiated by the MTA's insurance carrier. Runyon Canyon property owners (<u>Weber</u>) claim a diminution in property values because of the presence of the Red Line Tunnels beneath their	Partially Settled.

Hollywood Edgemont v. MTA;	BC148113	CA-03-0341, CA-90-X642;	properties. The Hollywood Edgemont cases are awaiting trial and should be resolved in 1999.	
Weber v. MTA	BC163711	CA-90-X575, CA-03-0392		
Hollywood Blvd. Community Council, et al. v. MTA	CV962580J GD (RMCx)	CA-90-X575 CA-03-0392	Several community groups sought to halt subway construction beneath Hollywood and the Santa Monica Mountains alleging that the MTA and U.S. Dept. of Transportation failed to adequately consider environmental impacts of subway construction on the Hollywood Historic District and Runyon Canyon Park. The Court granted MTA's and U.S. DOT's motions for summary judgment on May 6, 1997. On July 3, 1997, Plaintiffs filed a timely appeal. On February 18, 1999 the 9 th Circuit Court of Appeals affirmed the summary judgments in favor of MTA and DOT.	Defendants Judgment Affirmed.
Labor/Community Strategy Center v. MTA	CV94-5936TJH	ALL	On October 28, 1996, Federal Judge Terry Hatter approved a Consent Decree reached between the Authority and the class action plaintiffs. The Consent Decree provides for the Authority to: (i) reduce its load factor (i.e. the number of people who stand on the bus) to certain targets, (ii) expand bus service improvements by making available a net of 102 additional buses, (iii) implement a pilot project, followed by a Five Year Plan, to facilitate access to County-wide jobs, education and health centers, (iv) not increase cash fares for two years and pass fares for three years beginning December 1, 1996, after which the Authority may raise fares subject to certain conditions of the Consent Decree and (v) introduce a weekly pass and an off-peak discount fare on selected lines.	Settled. Parties are currently in a proceeding before the special master to ensure load factor compliance and a Five Year Plan.
Metro East Consultants v. MTA	BC158879	CA-90-X575, CA-03-0392	MTA has appealed Order granting petition for writ of mandate to invalidate award of Eastside Construction Management contract.	On Appeal.
Mid-Wilshire Associates v. MTA; Wiltern Associates v. MTA; Total Properties v., MTA	BC106135 BC113523	CA-03-0341 CA-90X642	All of these cases claim construction impacts on businesses and properties along Wilshire Blvd. These cases have been settled by the MTA insurance carrier or tried to judgment and the judgment paid by the MTA insurance carrier. Three cases are on appeal.	Settled/Tried /Appealed

**Year 2000 Project
Monthly Progress Report**

Status Date: March 26, 1999

(Report issued under separate cover)