

A weekly report
 from the office
 of the CEO

August 7, 1995



We're pleased Governor Wilson vetoed a bill that would have devastated the rail program and diverted hundreds of millions of dollars in sales tax revenues from the MTA to the County of Los Angeles.

The legislation, passed by both the Senate and House, would have forced the agency to turn over \$75 million each year for the next five years to Los Angeles County. The money would have come from Transportation Development Act (TDA) funds (1/4 percent of the general sales tax) given to each county for transportation purposes. Los Angeles County is expected to receive \$187 million in TDA funds in FY 1995-96. Of that amount, the MTA should receive approximately \$157 million for bus operations. The legislation would have required the MTA to shift internally Prop. C discretionary funds used for rail to bus operations to cover the loss.

Potentially Horrendous Results

If the bill had been signed, the results would have been crippling:

- The continued operation of the Blue Line from downtown L.A., and possibly, the operation of the Green Line between Norwalk and El Segundo would be threatened.
- No funding to operate the Wilshire or Hollywood subway lines. The Wilshire segment is scheduled to open next year.
- A delay of seven years or more in completion and opening of the Pasadena Blue Line.
- A delay of at least three years in the opening of the subway line to North Hollywood and the construction of Metro Rail subway lines in East Los Angeles and Mid-City.
- The bill also made it questionable whether the MTA

could buy replacement buses and parts, or even the facilities to maintain the buses we have now.

- The cumulative impact of all these problems could have thrown Los Angeles out of compliance with federal and state clean air regulations.

Allowing the legislature to divert funds intended by the taxpayers for public transit sets a dangerous precedent. To have the legislature meddle with local funding is a legally questionable tactic that will jeopardize the agency's ability to get dollar-for-dollar state and federal matching funds and to bond against these revenues. Because of this, the transfer of \$375 million would have had a \$3 billion impact on MTA's construction programs.

Feds Want to Cut Assistance

More challenges lie ahead. In Washington, the Senate Appropriations Sub-committee on Transportation voted to cut drastically what we requested in federal dollars for Segment 3. It was just last month that the House recommended that we receive \$125 million in federal assistance. The Senate committee provided only \$45 million, a reduction of \$85 million. We are optimistic that once a conference committee is held by both the House and Senate a higher amount will be recommended. However, it is clear that attempts to transfer funds and politically-oriented calls to terminate the project have undermined our efforts in Washington and have resulted in the transfer of funds destined for L.A. to other cities.

CNG Buses on the Street

I hope many of you got a chance to check out the bright,

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newly-designed interior of MTA's newest CNG buses. Last month, we placed into service the first 10 of an eventual fleet of nearly 300 new buses powered by clean-burning compressed natural gas that will help improve Los Angeles County's air quality. The buses will be run on the 10 San Fernando Valley lines operated out of MTA's Sun Valley operating division, with buses to be periodically added into the system as they arrive here throughout the end of the year.

By the end of 1996, the MTA is scheduled to have all 294 buses in service, making the agency the largest operator of CNG buses in North America.

For passengers, the new buses most striking features are a gray interior that provides a lighter, airy atmosphere, as well as a new stainless-steel seating design that is very similar to those now on the Blue Line. Anti-graffiti features include specially coated roof panels and windows to ease graffiti removal.

Visits Continue Throughout System

I've been making rounds at divisions throughout the system to see how we're meeting our goal of cleaning bus interiors. I've been impressed, but we still have a long way to go. Special thanks to the folks at Division 5, who really had things polished to a tee when I made a second visit!

Volunteers Needed for Green Line Opening

Special thanks to Operations' Mike Brewer and Teresa Franks who are coordinating MTA employee volunteers as special event staff during opening weekend for the Green Line. Duties will include the following: safely managing the boarding and alighting of passengers from trains at the stations, queuing passengers in line, answering questions regarding the operation, and if necessary, assisting in any emergency evacuation. Thanks to those of you who participate.

During the first week in August, event staff underwent crowd control and safety training classes, and also had a tour of assigned stations. I understand about 180 staffers have volunteered thus far.

Pick Up Your Green Line Poster

The A-R-T program, under the direction of Maya Emsden, is making vibrant posters commemorating the opening of the Green Line. They are available to all MTA employees. Give Maya or her staff a call at extension 4-6408.

Happy 5th Birthday to the Blue Line!

We celebrated the fifth anniversary of the Blue Line a couple of weeks ago with much fanfare. To date, an estimated 55 million passengers on the line have ridden the line, exceeding our original ridership projections. Twenty-two stations line the route that begins at the Long Beach Transit Mall and continues north through the cities of Compton, Carson, and Los Angeles, ending at Metro Center in downtown Los Angeles.

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Red Line Contractor Terminated

Effective Thursday, July 13, the MTA terminated Shea Kiewit Kenny, the tunnel contractor involved in the construction of the Vermont/Hollywood portion of the Metro Rail Segment 2 project. We lost confidence in SKK's ability to perform work pursuant to the terms of the B-251 contract, in good faith, consistent with all applicable laws and regulations. The Board later ratified that decision.

SKK had finished about 80 percent of the contract. It is my intention and that of new rail executive officer Stanley Phernambucq to get a contractor in to finish up as quickly as possible. Stan, by the way, will be good for us. I was looking for someone to head our construction who was not from the traditional urban construction milieu — someone who would place greater emphasis on traditional controls and protection of the owner.

Wrongdoing Charges

Meantime, we are surprised and very disappointed by revelations of wrongdoing regarding the MTA's director of construction risk management. We understand these charges are related to two MTA and predecessor agency contracts. On July 31, he pleaded guilty in federal court to receiving kickbacks for placing the contracts. He was terminated effective July 25. This agency will not tolerate fraud or the acceptance of bribes by any employee.

Personnel Notes

Vacation cash payouts were distributed to requesting non-contract employees in a separate check last Friday. And, since the Board approved the budget, you will soon notice a slight increase on your monthly paychecks. The 1.6 percent raise **will not** be payable in a lump sum.

Here's an update to the Social Security matter: The latest from the IRS is that it looks favorable but could take up to another year to be finally resolved.

Three new assistant directors are on board in Human Resources. Please welcome Roman Raja, assistant director of benefits and compensation, Vera Walsh, assistant director of administration; and Ray Ing, assistant director of employment.

—Franklin White

I welcome your comments and questions in response to CEO Report, which is designed to provide employees with direct communication with my office. Please contact either of my Special Assistants, Michael Gonzalez at 244-7476, or Phyllis Tucker at 244-6191. Also, employees can fax comments to 244-6014.

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