

REPORT OFFICE OF THE CEO

A weekly report
from the office
of the CEO

June 5, 1995



The congressional budget resolutions would have a catastrophic effect on the quality of bus and train service in the county and, furthermore, have a domino effect on the local economy. The most troublesome proposal is the elimination of the Section 3 New Start Program through which the bulk of federal financial assistance is received. Other proposals include: the phase-out of operating assistance; an increase in local capital match from 20 to 50%; and the elimination of the planning and research program.

If approved as proposed:

- Bus and train service could be cut by 10 percent, resulting in longer waits and more crowded conditions. This is the equivalent of eliminating all MTA Sunday bus and train service.
- Fares could be raised by another 25 cents to \$1.60.
- Construction of Red Line Segment 3 extensions to North Hollywood, Mid-City, and East L.A. could be delayed anywhere from two to six years.
- The Pasadena Line could be delayed for seven years.
- The San Fernando Valley east-west rail line, and any other planned rail project not yet begun, could be delayed indefinitely.
- Up to 15,000 rail construction jobs could be lost with a resultant domino effect on the local economy. For every dollar the MTA invests in capital projects, there is \$3 generated in the economy.
- The local cost for buying a new bus or train would increase 150 percent.
- All our clean-air research projects, such as the Advanced Technology Transit Bus (ATTB) program, could be scrapped.
- Elimination of federal highway demonstration funds

would jeopardize \$350 million in important Alameda Corridor Project funds.

The potential funds lost as projected in the Long Range plan would amount to \$2.7 billion.

Board members and I are working fervently with congressional staffs to help them understand our situation. We need continued federal assistance.

1.6% Employee Pay Increase Proposed

Late last week, we released copies of our proposed FY '96 budget to the media. How the federal budget impacts our proposed budget remains unclear. The \$3.1 billion budget would maintain the present level of bus and train service, proposes no fare increase and eliminates a projected operating shortfall of \$108 million anticipated during the year.

The budget does call for a 1.6 percent salary increase for non-represented and represented employees.

The budget is divided into three sections. The operating budget totals \$947.9 million and reflects a decrease of \$9.6 million over last year's budget. The capital budget totals \$1.14 billion, a decrease of \$36.8 million. Funds programmed to other agencies, through the MTA,

Did you know
that our library
is the third
largest
transportation
library in the
country and is
the largest
and most
comprehensive of
any operated by
transit
properties?

account for \$ 1.18 billion, an increase of \$191.6 million.

New Activities

New operational activities planned for FY '96 include:

- An aggressive campaign to upgrade the appearance and condition of the interior of buses.
- Deployment of 196 new CNG buses.
- Opening of the Metro Green Line.
- Opening of the intermodal Gateway Transit Center and MTA Headquarters Buildings.
- New market research and an increase in customer service training.
- An increase in construction unit staffing to better control and more efficiently implement the rail construction program.

Capital Expenditures Proposed

Unless prohibited by the events in Washington, proposed capital budget expenditures include:

- Closeout of all Green Line contracts.
- Complete construction of all Wilshire corridor facilities on Red Line Segment 2.
- Begin construction of Universal City Station for Red Line Segment 3.
- Complete major design and bridge construction on Pasadena Blue Line.
- Continue development of the ATTB.
- Upgrade bus facilities to accommodate new CNG buses.
- Implement the bus interior cleaning and bus upgrade campaign.
- Improve grade crossing safety along the Blue Line.
- Provide up-to-date communications equipment to support Transit Police.
- Develop an improved material management system to effectively monitor inventory levels.
- Build an integrated human resources information system.

Is the New Headquarters a Good Deal?

As we near the completion of the new headquarters building and transit center, expect some people to ask why the MTA embarked on such a project.

In the case of the transit center, funds were from federal, state and local sources and were allocated only because we are in a partnership with a private developer, the Catellus Corporation. As for the headquarters building, funding was raised through the sale of bonds and could be used only for its construction. No federal funds are used for the headquarters.

Gateway to East Los Angeles

The transit center will benefit the local community. Every world class city has such a facility. It is the only building under construction in downtown and is really the transit gateway of East Los Angeles. With its shops, food court, parking lots and other amenities, it will be a major incentive to get more people to use mass transit over private automobiles.

Physical Consolidation to Save Funds

The headquarters building will have significant benefit for the public. The MTA will save millions of dollars now being spent for leasing thousands of square feet of office space throughout the city and will become an owner, not a renter. By consolidating its offices into one building, we will improve operating efficiency and save money in the long run.

There will be paid parking available at the headquarters building. A parking policy is being developed. Check for the latest headquarters developments in the *Gateway Express*.

Library Artifact Donations

In other news, our librarian Dorothy Gray is busy planning for the upcoming move. Did you know that our library is the third largest transportation library in the country, after Berkeley's and Northwestern University's, and is the largest and most comprehensive of any operated by transit properties?

Dorothy wants to continue expanding the different collections, and asks that employees — as they prepare to move — consider donating any transit artifacts, such as transit buttons and pins, old photographs and paintings. She says she cannot use working papers, or contracts, but can take old EIRs. Donations will go to the MTA Library archives. Give her a call at 2-4859.

Thank you

For the many expressions of sympathy I have received, both orally and in writing, thanks to all of you. They are deeply appreciated.

- 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.

A publication of the MTA CEO's Office

Editor:	Andrea Greene
Art Director:	Anne Roubideaux
Designer:	Terry McMahon
Deputy Dir., Media Relations:	Jim Smart
Special Assistant to CEO:	Phyllis Tucker
Manager, Printing Services:	Al Moore