



NEWS

APRIL 25, 1994

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LOS ANGELES COUNTY MTA CHAIRMAN RICHARD ALATORRE REQUESTS \$410.5 MILLION IN FEDERAL FUNDS, INCLUDING \$217 MILLION FOR SEGMENT 3 RED LINE CONSTRUCTION

MTA Chairman Richard Alatorre will appear before a key House of Representatives transportation subcommittee on April 26 to request a total of \$410.5 million in federal assistance, including \$217 million to help pay for construction of Segment 3 of the Metro Red Line subway project.

In his testimony before the House of Representatives' Committee on Appropriations Subcommittee on Transportation, Alatorre cites Los Angeles County's strong need for uninterrupted federal transportation funding assistance for bus and rail capital and operations, especially in the wake of the Jan. 17 Northridge earthquake.

"Los Angeles County has suffered 18 percent of the nation's job loss since the beginning of the recession, and has yet to join the rest of the nation in recovery," Alatorre will tell the Subcommittee. "The recent earthquake has negatively impacted the movement of goods and services in our region, which only exacerbates the problem."

The MTA faces an operating budget deficit of \$126 million for FY 1994-95. The agency has taken numerous actions to erase the deficit, including reducing its administrative staff by 20 percent, reducing the use of outside service contracts and establishing a hiring freeze.

The MTA also is considering raising bus and train fares and trimming service. A public hearing was held in Los Angeles April 23 to inform the public of possible fare scenarios and service changes.

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"In 1980, federal operating assistance accounted for 22 percent of MTA's operating budget," Alatorre will note. "Today, it is below 7 percent. In the ensuing 14 years, Los Angeles responded by enacting two different sales tax measures to improve mobility and ... to offset this loss in federal funding.

"The costs to expand paratransit service, capital investments for accessible vehicles and facilities, purchase and maintenance of clean-air vehicles, and new regulations on drug testing have all added pressure to our budget. Therefore, we join the American Public Transit Association in calling for no reduction in federal operating assistance for FY 1995."

Alatorre will also inform the Subcommittee that the earthquake underscored once again Los Angeles County's need for a balanced transportation network, which does not rely exclusively on a single mode for the area's needs. He will thank the members of the committee for their emergency support immediately after the earthquake, and their ongoing help during development of the first two segments of the Red Line project.

The \$410.5 million would come from several sources, much of which is earmarked for specific uses. The Federal Transit Administration (FTA) has proposed that Los Angeles receive a \$169 million share of Section 9 funds, to be divided between capital projects such as bus and rail car purchases, and operating assistance to help keep as many buses and trains as possible in service. In addition:

- The MTA is requesting \$217 million in federal Section 3 "new start" funds, up from the Federal Transit Administration's original proposal of \$184.3 million, to aggressively continue final design and start-up activities for construction of Segment 3 of the Red Line.

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Rep. Julian Dixon (D-Los Angeles), a long-time supporter of the Los Angeles Metro Rail project, has said he believes the "\$217 million for FY 1995 will allow us to continue at our current pace on Segment 3 of the Red Line system." Dixon also has said that "the Mid-city/Pico San Vicente, North Hollywood and Eastside extensions will provide services to ethnically diverse communities traditionally dependent on transit."

Alatorre will inform members that the Red Line investment is resulting in tens of thousands of new jobs in the Los Angeles County area, and will positively impact the construction of housing and other neighborhood amenities.

"In one typical day of construction, we invest about \$3 million into the local economy," Alatorre has said.

- The agency also is asking for \$18 million from Section 3 "bus" funds to help pay for the new \$149.5 million transit center being built as part of the Union Station Gateway project.

"The Gateway project is an unprecedented joint development public-private partnership which can stimulate the economic revitalization of the east side of downtown Los Angeles," Alatorre will note. "For the first time, all of the various modes of transportation will converge at one central point."

- Finally, MTA is seeking approval of \$6.5 million in FTA planning and research funds to go toward the Advanced Technology Transit Bus (ATTB), or "Stealth Bus," project.

Secretary of Transportation Federico Peña and FTA administrator Gordon Linton have already recommended funding for the ATTB project, which has received federal assistance since FY 1993.

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The FTA, in cooperation with MTA, Northrop Corporation and other partners, is reinventing the bus," according to Linton. "We're seeking to deploy space-age technology to product a lighter, cleaner and more fuel-efficient vehicle."

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