



NEWS

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MTA BOARD APPROVES CONTRACTING SEVEN BUS LINES TO PRIVATE OPERATOR; \$15 MILLION SAVING POSSIBLE

The MTA Board of Directors March 22 approved the contracting of seven MTA bus lines to a Cypress firm later this year, in keeping with a labor agreement with the United Transportation Union (UTU) reached last summer.

The contracting of the seven high-subsidy lines to low bidder ATE Management and Service Co. of Cypress could save MTA \$16.1 million in operating costs over the three-year life of the contract, said MTA Chairman Michael Antonovich, an Los Angeles County Supervisor.

"Turning these high-cost lines over to a private firm is a step in the right direction toward making MTA a leaner organization," Antonovich said. "The buses will look different than MTA buses, but will run on the same routes and charge the same fares."

"MTA's cost to operate the seven lines is about \$21.5 million a year," noted Franklin White, MTA's chief executive officer. "MTA's annual costs could be reduced to about \$15.5 million a year, resulting in a saving of \$16.1 million over three years." The action would remove about 60 MTA buses from its peak-hour fleet.

The seven lines to be transferred are as follows:

Line 125 (Rosecrans Avenue)

Line 130 (Artesia Boulevard)

(MORE)

BUS SERVICE TRANSFER

Page 2

Line 205 (Willowbrook-Harbor City-San Pedro)

Lines 225/226 (Aviation Blvd.-Palos Verdes Peninsula)

Line 232 (Long Beach-LAX)

Line 266 (Lakewood Blvd.-Rosemead Blvd.)

Line 270 (Monrovia-El Monte-Cerritos)

The agreement with the UTU allows MTA to contract out or transfer a total of 13 MTA bus lines (seven during the first two years) to other operators during the three-year contract period.

MTA staff will negotiate specific terms of the agreement with ATE Management and Service Co. Full contractor operation of the seven lines is expected within the next six to eight months.

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