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**TO:** MTA Board of Directors  
**FROM:** Barry Engelberg *BE*  
**SUBJECT:** Response to Chairman's Remarks

**ISSUE**

At the June 1995, Regular Meeting of the MTA Board, then Chairman Michael Antonovich requested a written response to a list of questions related to promotional items.

**BACKGROUND**

The following is in response to Mr. Antonovich's questions.

***Is the MTA receiving any donated items/in-kind services for use as promotional materials?***

Yes. The MTA through the efforts of its Marketing Division often receives in-kind services for use as promotional materials. For example, the MTA participates in over 200 events each year. Many of these events require exhibitors to pay a promotional fee. Marketing avoids payment of these promotional fees by negotiating in-kind services trades. These win/win agreements save the MTA thousands of dollars each year.

***What is the MTA budget for promotional material?***

It is anticipated that the Marketing Division will spend approximately \$250,000 for Promotional and Informational material during FY96. Items will be used to promote bus, rail, intermodal services, and community outreach in construction impacted areas. It should be noted that other MTA Departments also procure items classified as Promotional and Informational material, for example, Transit Police provides pencils and other items for community relations purposes. Please see attached for MTA promotional materials budget by department.

***What outreach has been done or is being done to identify firms/agencies who would be interested in donating services/materials?***

As indicated above Marketing aggressively seeks co-sponsors to defray costs of every major MTA marketing promotion. For example, in marketing the Green Line the following co-sponsored projects have been implemented.

**Green Line Fun Map (prominently features MTA, Green Line and Blue Line)**

Made possible by the solicitation of sponsors who paid a \$1,000 fee to appear on the map. Marketing has collected \$10,000 which defrayed development costs. Plans call for 100,000 copies to be distributed.

**Radio/TV Remote**

Rick Dees from KIIS FM and the news team from KTLA were on hand for a three-hour live broadcast during a recent preview of the Green Line. During the broadcast MTA and the Green Line were mentioned hundreds of times in very positive ways. The Green Line was described as "clean, quiet and fast." Interviews with the Director of External Affairs afforded MTA with additional time to get its positive message out to the public that the Green Line would be open to the public soon.

KVEA-TV, Channel 52 will provide a live broadcast from the Metro Green Line Opening at the Imperial/Wilmington Station which will be worth \$15,000 of advertising.

**Marketing Action Groups (MAG)**

MAGs have been formed with all major city chambers along the Green Line corridor. Benefits from MAGs have included promotion of the Metro Green Line within their cities and around their communities with local newspaper stories and public access cable television at local events.

**Other Metro Green Line Partnerships**

Many free items have been distributed to attendees at recent Metro Green Line promotional events through partnerships with AMC

theaters, UNOCAL (free gasoline), McDonald's (food), Denny's (food), Price/Costco (food), Ruby Red Squirt (drinks), Warner Bros. Records (tapes, CDs), and Buena Vista Films (posters, passes, pens).

These are just a few examples of the many types of co-promotions that the MTA develops to leverage marketing dollars and expand outreach efforts. Over the past several years Marketing has received well over \$1 million worth of in-kind services and cash for co-sponsorships. Additional corporations that have teamed up with MTA include SCE, GTE, ARCO, Southern California Gas Company, Universal Studios Hollywood, Airtouch, Penske and many others.

***If there is not a great deal of participation, why is this the case?***

Even though the MTA has been very successful in obtaining co-sponsors for events and promotions the process is very labor-intensive. Also because of current economic pressures corporations no longer have the discretionary funds that they once had to support worthy community projects. For a promotion to attract outside sponsorship it is not enough for it to be worthy of funding or that it will benefit the community, it must also fit the corporation's marketing and advertising goals, objectives and budget.

***In light of the budget situation, why isn't the MTA being more aggressive and creative?***

Marketing continues to aggressively seek out corporate partners for major campaigns and promotions. These partnerships provide winning opportunities to expand marketing's outreach efforts, leverage marketing's budget and build long-lasting business relationships with corporations who share MTA's commitment to provide economical, safe and reliable transportation to Los Angeles residents.

**PROMOTIONAL AND INFORMATIONAL MATERIALS  
MTA FISCAL YEAR 1996 BUDGET**

<b>DEPARTMENT</b>	<b>FY96</b>
EXTERNAL AFFAIRS DIRECTOR	\$1,000
MARKETING	\$256,000
OPERATIONS	\$48,400
CONGESTION MANAGEMENT	\$4,000
PURCHASING	\$6,900
REAL ESTATE	\$3,500
HUMAN RESOURCES	\$37,195
CAREER DEVELOPMENT	\$5,000
TRANSIT POLICE	\$64,330
<b>TOTAL</b>	<b>\$426,325</b>