



August 10, 1995

Los Angeles County
Metropolitan
Transportation
Authority

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TO: MTA BOARD MEMBERS AND ALTERNATES
FROM: BARRY L. ENGELBERG *Bo*
SUBJECT: U.S. SENATE APPROVES THEIR VERSION OF
TRANSPORTATION SPENDING BILL

This morning, the U.S. Senate approved their version of the FY 1996 Department of Transportation (DOT) Appropriations bill.

The Senate bill's overall funding level as approved, is similar to the House passed version of the transportation spending bill. The Senate version reduces DOT programs by 10 percent over last year's level and Federal Transit Administration (FTA) programs by roughly 13 percent.

The Senate approved the Appropriations Committee recommendation of \$45 million in FY 1996 for the Metro Rail Red Line Segment 3 project. The Administration had requested \$158.8 million and the House passed legislation recommends \$125 million. The Senate bill includes report language expressing concern about MTA's adherence to hiring commitments in the October 1994 plan and instructs the FTA to assure that the commitments, especially in safety oversight and quality assurance, are made before the FTA obligates the FY 1996 federal funding allocation. (The August 3 memo to you reporting the Senate Transportation Appropriations Subcommittee recommendation, attached an updated status report which MTA sent to Gordon Linton, FTA Administrator, regarding the reorganization of the MTA's Construction Division).

The Senate bill, as did the House version, reduces operating assistance by 44 percent. However, the Senate bill makes changes to the national formula distribution to soften the operating assistance decrease to Urbanized Areas with less than 200,000 in population and in return, Urbanized Areas with over 200,000 in population, like Los Angeles, would receive additional capital funding to help offset the loss in operating assistance. This proposal is similar to the proposal presented by the American Public Transit Association (APTA), which the MTA has supported.

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The Senate approved transportation spending bill recommended funding the Gateway Intermodal Transit Center for \$15 million -- the House bill recommends \$8 million. The Senate legislation also recommended funding the Advanced Technology Transit Bus for \$8 million -- the House bill recommends \$2 million.

There was no language included in the Senate bill regarding Federal Transit Act Section 13(c). The House approved legislation removed the House Appropriations Committee recommendation to repeal Section 13(c).

The House and Senate will be in recess until September 7, 1995. A Conference Committee will be appointed to reconcile the different FY 1996 transportation spending bills, likely the week of September 11, with the goal of passing a reconciled bill by the end of the federal fiscal year, September 30.

As we reported, a preliminary analysis by Capital Planning indicates that should the Conference Committee split the difference, that is, provide the average of \$125 million and \$45 million, Los Angeles would receive \$85 million, which would cause at least a one year delay in the planned completion schedule for Segment 3.

The competition for these scarce transportation dollars will continue to be very intense. The MTA must work closely with the Southern California Congressional Delegation to insure a funding level as close to the \$125 million.

If you have any questions, please contact Arthur Sohikian at (213) 244-7435.