



August 17, 1995

Los Angeles County
Metropolitan
Transportation
Authority

To: MTA Board Members/Alternates

From: Barry Engelberg

Subject: Media Coverage, Federal Support For Metro Rail

818 West Seventh Street
Suite 300
Los Angeles, CA 90017

Attached is a letter from FTA Administrator Gordon Linton regarding management oversight of the Metro Rail project.

213.623.1194

The letter is the basis for an article which appears in the August 17 edition of the Los Angeles Times.



U.S. Department
of Transportation
**Federal Transit
Administration**

Administrator

400 Seventh St., S.W.
Washington, D.C. 20590

AUG 16 1995

Mr. Franklin E. White
Chief Executive Officer
Los Angeles County Metropolitan
Transportation Authority
818 West Seventh Street
Suite 300
Los Angeles, California 90017

Dear Mr. White:

Thank you for your letter of July 24, 1995, updating me on the progress of the Los Angeles County Metropolitan Transportation Authority (MTA) in implementing the commitments made to the Federal Transit Administration (FTA) in October 1994. These commitments, collectively known as the recovery plan, were the major factor in our decision to remove restrictions on future Federal funding of the Red Line project. These commitments focused on efforts to complete tunneling under Hollywood Boulevard and strengthen the MTA's quality and safety program.

We are pleased with the successful efforts which resulted in the resumption and completion of the tunnel drive under Hollywood Boulevard. However, as pointed out in your update, there are still a number of open commitments that were to be completed by the end of February 1995.

In particular, I am concerned with the inadequate effort to staff the quality and safety functions and the apparent shift in responsibility for construction management (CM), including the quality control function. As of the date of your letter, less than half of the quality and safety positions committed to by MTA have been filled by MTA personnel.

With respect to responsibility for construction management, including quality control, you have apparently changed your approach. Specifically, the recovery plan indicates that "MTA Metro Construction will assume direct management responsibility for the MRL 3 (segment 3) North Hollywood construction on a phased basis. Replacement of the existing CM staff will begin at the project management and area levels". Your current activities do not match the recovery plan philosophy.

A full justification for any proposed change to the original recovery plan must be submitted to FTA for approval prior to implementation. Unilateral changes to the recovery plan are not acceptable.

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At present there are two outstanding action items that require your attention. One is the full implementation of the recovery plan commitments (the original plan or an FTA approved revision) and the other is the development of an updated Project Management Plan (PMP) for FTA approval. During the August 3, 1995 quarterly review meeting, the MTA stated that a draft PMP would be delivered to the FTA by the end of August 1995, and the final PMP by October 1, 1995. At this time we are requiring that these outstanding items be taken care of in the following time frame:

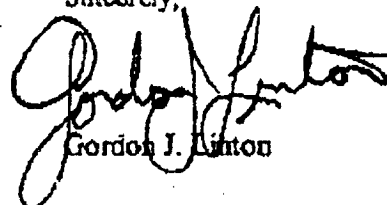
- * Full implementation of the recovery plan commitments by October 1, 1995.
- * A draft PMP submitted to FTA by the end of August 1995, and
- * A final PMP approved by FTA by October 1, 1995.

Let me remind you that continued Federal assistance is contingent upon the grantee's adherence to the terms outlined in our October 5, 1994 agreement.

Due to our concerns with lack of progress in fully implementing the recovery plan and the lack of an approved PMP, we have directed our project management oversight contractor, Hill International, to substantially increase its level of oversight of the project. This staff increase will occur over the next few months.

We look forward to your cooperation in this matter. As indicated before, we remain committed to the Red Line project and the completion of a quality project for the Los Angeles area.

Sincerely,



Gordon J. Linton