



June 22, 1995

Los Angeles County
Metropolitan
Transportation
Authority

TO: MTA BOARD OF DIRECTORS AND ALTERNATES
FROM: FRANKLIN E. WHITE *fw*
SUBJECT: FY 1996 DEPARTMENT OF TRANSPORTATION
APPROPRIATIONS ACT

18 West Seventh Street
Suite 300
Los Angeles, CA 90017
213.972.6000

Mailing Address:
P.O. Box 194
Los Angeles, CA 90053

Yesterday, the House Appropriations Subcommittee on Transportation, Chaired by Rep. Frank Wolf (R-VA), reported the FY 1996 Department of Transportation (DOT) Appropriations Act for full Appropriations Committee consideration.

Thanks to the leadership of the MTA Board of Directors, the Southern California Congressional delegation, and the numerous civic and business leaders who spoke out against drastic federal transportation cuts, we are pleased to report that federal transit funding did not suffer to the degree proposed in the Budget Resolution.

As we have reported, both the House and Senate FY 1996 Budget Resolutions called for dramatic reductions in the projects and programs administered by the DOT's Federal Transit Administration (FTA). Specifically, while transit makes up only 11 percent of DOT's spending, it was asked to incur over 40 percent of the proposed reductions, including the elimination of the Section 3 New Start program and the phase out of federal operating assistance.

Specifically, the bill reported by the subcommittee, reduces DOT programs by 10 percent over last year's level and FTA programs by 13 percent.

Section 9 Formula Program

Capital Program:	\$1.841 billion available nationwide, a reduction of 19 percent. However, the matching level remains 80 percent federal and 20 percent local (the ratio was proposed to change to 50/50).
Operating Assistance:	400 million would be available nationwide, a reduction of 44 percent from last year. Since the MTA had anticipated a 30 percent reduction, the proposed reduction in operating assistance would be an additional loss of \$5 to \$7 million for the region.

The capital program would be reduced by 19% nationwide which includes the reduction in operating assistance.

Therefore, the actual amount that the MTA and the region would have available for capital assistance, would be reduced by \$132 million nationwide or approximately 8% from last year.

Section 3 Discretionary Program

New Start:	Los Angeles Metro Rail Segment 3 - \$125 million of the \$665.8 million available nationwide. This represents the highest transit mark in the bill and 19 percent of the nation's total.
Bus & Bus Facilities:	The Gateway Intermodal Transit Center - \$8 million of the \$333 million available nationwide. In addition, Foothill Transit received \$12.5 for bus maintenance facilities.

Section 26 Planning and Research Program

The program was reduced approximately 12 percent, but the ATTB will be mentioned in the report language that accompanies the legislation "urging the Administration to continue this high priority R&D project."

This bill includes "language to repeal Section 13 (c) of the Transit Act and abrogate all existing contracts." Additionally, the bill would permit bus overhauls to be funded from the capital program.

The House Appropriations Committee is tentatively scheduled to hear the FY 1996 DOT spending bill on June 30, with a floor vote tentatively scheduled for July 11. Two weeks after House action, the Senate Appropriations Subcommittee on Transportation is tentatively scheduled to "mark-up" their version of the DOT spending bill.

We will continue to need your leadership and active support as the bill moves through the budget process. If you have any questions, please contact Arthur Sohikian (213) 244-7435.

We will provide you with an update at the next regular MTA Board meeting.