




September 10, 1998

Los Angeles County
Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012

213.922.6000

TO: BOARD OF DIRECTORS

FROM: ALLAN LIPSKY 
DEPUTY CHIEF EXECUTIVE OFFICER

SUBJECT: UPDATE ON CONSENT DECREE LOAD FACTORS

ISSUE

Responses were filed separately by the MTA and the BRU yesterday to the Special Master's request for a determination of which MTA bus lines, if any, have exceeded the 1.35 load factor reduction target of the Consent Decree since December 31, 1997. A copy of the transmittal letter on the completed form prepared by the Special Master is attached (attachment D has not been circulated).

BACKGROUND

MTA's filing identified 75 of 79 monitored bus lines as having exceeded the Consent Decree load factor reduction target at least once since December 31, 1997. The filing reserves the MTA's decision to appeal elements of the Special Master's interpretation of the Consent Decree's load factor requirements because the significance of exceeding the load factor reduction targets, conditions under which a remedy would be required, and the specific remedies have not been determined at this stage in the legal process.

The MTA and BRU submitted the determinations requested by the Special Master separately because the BRU's representatives to the JWG could not agree to co-sign a joint submittal containing the detailed line-by-line data supporting the determination of whether or not each bus line had exceeded the load factor reduction target. MTA had been authorized to provide detailed data by the Special Master's Procedural Order of September 2, 1998. The MTA's position is that the simple designation of each line as not having met the load factor targets does not provide meaningful data. Nevertheless, further instructions from the Special Master are now expected shortly.



September 8, 1998

Metropolitan
Transportation
Authority

Mr. Donald T. Bliss
O'Melveney & Myers LLP
555 13th Street, N.W.
Washington, D.C. 20004-1109

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Los Angeles, CA
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Dear Mr. Bliss:

Attached is the submittal from the MTA regarding load factor compliance. It contains your Exhibit A, which I have completed and signed as Co-Chair of the FWG, and additional information concerning issues we reserve the right to appeal, plus specific data from our load factor monitoring using both the "sliding window" and "Segmented 20 minute interval."

The FWG met on September 3 and 9, 1998 and both parties concurred on the determination that based on the computation method required by your recent ruling (which we are considering appealing) the MTA has not met the load factor reduction target. In addition, both parties agreed substantially on the list of lines that have at least one incident of exceeding the load factor reduction target.

The BRU representatives disagreed, however, with our request to submit the important information contained in our attachments. We strongly believe that the data from our load factor monitoring summary provides valuable specifics to you that will facilitate the next phase of the process. Therefore, we have transmitted this information independently.

Sincerely,

Habib F. Balian
Co-Chair FWG