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OPERATIONS COMMITTEE
February 16, 2000

Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012-2952

**SUBJECT: RESULTS OF JANUARY 18, 2000 PUBLIC HEARING
REGARDING THE TRANSFER OF BUS LINE 104
TO MONTEBELLO BUS LINES**

**ACTION: APPROVE THE FINDINGS OF THE PUBLIC HEARING AND
AUTHORIZE TRANSFER OF BUS LINE 104**

RECOMMENDATION

Approve the findings of the Line 104 Public Hearing, held January 18, 2000. (Attachment A). Authorize the transfer of Line 104 to Montebello Bus (MBL) effective Monday, April 3, 2000.

ISSUE

Bus Line 104 is presently operated by Laidlaw Transportation Services Inc., under contract to the MTA. This contract expires after March 31, 2000. MBL has expressed an interest in operating Line 104. Montebello has agreed to operate service at frequencies, spread of service, and days of service equal to or better than those currently being provided. Additionally, Montebello has agreed to honor all MTA fare media on this line at a reimbursement rate to be determined.

POLICY IMPLICATIONS

Line 104 is a low performing sub-regional bus line operated under contract by Laidlaw for the MTA, with an average of 23 boardings per bus hour compared to the MTA system average of 53. Transfer of this line to the subregional bus system is consistent with the three-tier concept and would support the principle approved in May 1999 by the Board regarding MTA Lines of Regional Significance. This action would also reinforce the regional role of MTA Transit Operations.

OPTION

The option considered is to not approve this service transfer. This would have the MTA retain the operating rights to this line and continue to operate it as a contract line.

Retaining this line within the MTA system is not recommended as this is a low performing sub-regional line. This type of line is better suited for operation by the local community it serves. This transfer would allow the MTA to focus more of its resources on the heavy regional bus lines. In addition, because MBL will not be seeking operating funds for this line, there would be a financial savings to the MTA for a two year period.

FINANCIAL IMPACT

The present contract with Laidlaw for the operation of Line 104 is for a rate of \$51.75 per revenue hour, less cash revenue received. The net annual operating cost of this line is estimated at \$860,000. MBL would operate this line without subsidy from the MTA, following two years of operation, they would begin to receive Formula Allocation Program (FAP) for this line. At that time, the MTA share of the FAP would decrease by an estimated \$900,000 per year. The result would be that the MTA would accumulate savings of about \$1.7 million over two years. Beginning in the third year of MBL operation, the residual FAP impact would be a net loss of about \$40,000 per year to the MTA.

IMPACT STATEMENT

MBL has agreed to honor MTA passes and tokens for full fare, and the MTA will monitor and fund additional service if required to meet MTA load standards. MBL will maintain the present service levels and spread of service. This agreement will be reviewed every two years until the end of the MTA Consent Decree.

Route modifications are currently being considered as part of the Southeast Restructuring Study. If any modifications are adopted, the community outreach and hearings will be held.

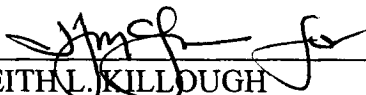
DISCUSSION

On Tuesday, January 18, 2000 the public hearing regarding the proposed transfer of Line 104 to Montebello Bus Lines was conducted. A total of two people spoke at this hearing. In addition, two individuals submitted written testimony, and the Legal Defense Fund submitted their written comments.

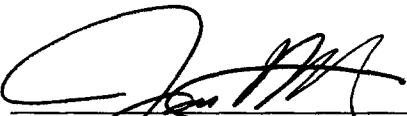
Of the speakers, one supported the transfer, while the other, representing the Southern California Transit Advocates took a neutral position. Of the individuals who submitted written comments, one supports the transfer, while the other opposed it. The Legal Defense Fund neither support or opposed this line transfer. Rather, they indicated that the requirements of the Consent Decree also follow the transfer of this line to Montebello. They also state that, ".....if this line is transferred from MTA to MBL, then MBL will automatically be subject to all the requirements of the Consent Decree." Attachment A lists all of the comments received on the topic, and provides a brief response.

A. Summary of Results of Public Hearing


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**SUMMARY OF RESULTS OF PUBLIC HEARING
REGARDING THE TRANSFER OF LINE 104 TO MONTEBELLO BUS LINES**

<u>Person/Organization</u>	<u>Comments</u>	<u>Staff Response</u>
Eddie Anthony	<p>Supports transfer of Line 104</p> <ul style="list-style-type: none"> - Montebello Bus Lines is part of regional transit system. - Line has low ridership. 	<ul style="list-style-type: none"> - Agree. - Agree.
Dana Gabbard Southern California Transit Advocates (SCTA)	<p>Neutral on transfer of Line 104</p> <ul style="list-style-type: none"> - Want public hearing notifications to be placed in more local news papers. - Recommend take-one notices announcing the transfer of this be placed on Line 104 buses several weeks before the transfer. - Recommends a more systematic process for selecting lines to transfer to other operators in the future. - The MTA fare media should be honored on Line 104. - The MTA should determine how line transfers fit with goals of county wide service restructuring studies. 	<ul style="list-style-type: none"> - Agree. - Agree. This will be done. - Agree. This will be part of County Wide SRTP - MBL has agreed to this. - Agree.
Paul Castillo (written)	<p>Supports transfer of Line 104</p> <ul style="list-style-type: none"> - Laidlaw Transit Services, Inc. is not providing good service. - MBL will provide better service with better buses. 	<ul style="list-style-type: none"> - MTA Contracted service is being re-bid with performance standards, expectations, and liquidated damages.
Van Ajemian (written)	<p>Opposes transfer of Line 104</p> <ul style="list-style-type: none"> - MBL has high bus driver turnover. Pay and benefits are not appealing. - MBL has not adjusted bus schedules in two years. - MBL buses carry out of date bus cards. - Requests an independent fact finding program. 	<ul style="list-style-type: none"> - MBL employees are employees of the city. - MBL operates service comparable to other operators. - Could not verify. - MTA staff will monitor service on a regular basis.
E. Richard Larson NAACP Legal Defense and Education Fund, Inc.	<p>Neutral on transfer of Line 104</p> <ul style="list-style-type: none"> - The transfer of a bus line, or a portion of a bus line, to any other transit operator involves the transfer of the MTA's Consent Decree responsibilities. - The transfer of Line 104 to MBL entail the transfer of the requirements under the Consent Decree with this line. 	<ul style="list-style-type: none"> - MBL has agreed to honor MTA fare media with reimbursement from MTA. - MTA will monitor this line and fund additional service as required.