

**Metro**Los Angeles County
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metro.net**OPERATIONS COMMITTEE
OCTOBER 15, 2009****SUBJECT: NEAR-TERM STRATEGIC TRANSIT PLANNING CONCEPTS****ACTION: APPROVE PROPOSED PROCESS****RECOMMENDATION**

Approve the proposed process for developing regional Near-Term Strategic Transit Planning concepts for Los Angeles County.

ISSUE

As with most other transit agencies in the country, we are faced with a significant operating deficit as a result of a reduction in operating subsidies, fare revenue, and overextending the amount of service provided. Sales tax receipts have declined 10% from FY08 to FY09. Based on this trend, we anticipate that FY10 sales tax revenue will fall below budget by \$82 million. In addition, declining ridership is expected to result in a \$24 million reduction in fare revenue, bringing the total anticipated FY10 revenue loss to \$106 million. Finally, bus revenue hours have increased 13% from FY93 to FY09, even though bus ridership has decreased by 1% during the same period. Inefficient allocation of service exacerbates our funding deficit, adds undue pressures on fleet management and facilities, and greatly inhibits our ability to focus on providing quality service because our resources are over extended.

To address these issues, we seek to establish a new vision for providing service throughout the region through a collaborative process with key stakeholders.

DISCUSSION

Due to reductions in state funding, we are facing a significant operating deficit. Traditional approaches to resolving this issue result in significant impacts to existing riders through service reductions and fare increases. Unfortunately, these actions further deteriorate ridership, and often times, result in a downward spiral of service reductions and ridership loss.

Fortunately, with the passage of Measure R, the voters of Los Angeles County have provided us with an opportunity to reverse this negative trend by providing funding for significant improvements to mobility throughout the region. However, Measure R's success will be contingent on building from a solid, stable, and sustainable base.

To reach this starting point, we need to change the paradigm from which we operate. MTA operations serves the role of a regional transit provider. It is part of a system of transit operators that include municipal bus operators, city shuttles and Metrolink. Therefore, a key focus for MTA operations should include better coordination with municipal services. We are also a multimodal operator, and as such, should work towards better integration of bus and rail services. Finally, reallocating services based on current and projected demands and travel patterns will make the best use of existing resources and provides an opportunity to increase efficiencies and ridership at no additional cost.

By coordinating MTA bus, rail, and municipal operations, we will be able to provide the region with a rational, integrated, efficient, effective, and sustainable transit system. Reducing duplicative service, rightsizing capacity to demand, streamlining regional routes, and reallocating underutilized service to more productive uses will ultimately result in a more sustainable fleet size, and reduce pressures on division capacity and maintenance programs. Finally, Measure R 20% operations funds can be used to provide assistance for operations capital such as transit priority treatments, new transfer facilities at key locations, customer information and way finding, and for management tools such as increased supervision. These projects will help improve the bus system and passenger experience through more clean, courteous, convenient, safe, on time, and reliable service.

Creating a coordinated and integrated transit system will require significant collaboration with key stakeholders, including service sectors, municipal operators, Metro's Citizens Advisory Council, Council of Governments, User Groups such as Business Associations, Chambers of Commerce, educational facilities, and civic leaders. Therefore, we propose to establish a Blue Ribbon Committee represented by key stakeholders to help guide the development of a regional transit service concept which will serve as the blueprint for the transit system in which systems integration/coordination, service quality/attractiveness, customer/employee focus, and sustainability are critical elements. Next, the blueprint will be translated into service design guidelines that focus on optimizing the regional system by addressing issues such as duplicative and unproductive services, system speed, establishing a regional network and hierarchy of routes, route alignment and schedule design, on time performance and reliability, load standards, and establishing specific roles for MTA bus, rail, and municipal operators. Finally, the guidelines will be used to restructure our transit system towards achieving the goals and objectives of the regional transit service concept. Through this process, we hope to renew partnerships with our employees, municipal operators, and the public, which provides a collaborative environment for the successful implementation of Measure R.

ALTERNATIVES CONSIDERED

The alternative is to continue providing service under the same service levels, demand on resources, and standards as current. This alternative is not recommended given the demands on resources, infrastructure, poor service quality, and the existing operating deficit.

FINANCIAL IMPACT

The funding required to form the Blue Ribbon committee and staff the activities required to implement development of the Near Term Strategic Transit Plan is included in the FY10 budget under project # 300011, Bus Operations. The proposed system restructuring is expected to result in a sustainable service level given projected operating and fare revenues.

Impacts to Bus and Rail Enterprise Fund Operating and Capital Budgets

The funds to develop the Near Term Strategic Transit Plan are Enterprise Funds such as fares, Prop A, Prop C and TDA4. No other source of funds was recommended for this expense. The proposed system restructure is expected to better match travel patterns with the service network and provider while reducing annual bus revenue service hours. However, the total annual savings achieved will be contingent on the final service concept and design guidelines approved by the Board.

NEXT STEPS

Next steps in this process include:

- Establish the Blue Ribbon Committee by November 2009.
- Develop the regional transit service concept and service design guidelines for Board approval by March 2010.
- Develop service change proposals for implementation starting June 2010

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