

# Economy & Efficiency Commission Presentation

Editorial Note: Although every effort has been made to insure the accuracy of the material in this presentation, the scope of the material covered and the discussions undertaken lends itself to the possibility of minor transcription misinterpretations.

PRESENTATION BY
Mr. Roger Snoble
Chief Executive Officer
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**Topic: Challenges Facing the Metropolitan Transportation Authority** 

**January 8, 2004** 

Chairman Philibosian introduced Mr. Snoble and welcomed him to the Commission.

#### **Labor Issues**

Mr. Snoble began his presentation by offering a brief recollection of some of the facets of the recent negotiations during the labor dispute, especially the long hours and immense efforts at resolving the dispute expeditiously. Mr. Snoble commented that there remained an arbitration regarding the health and welfare of MTA mechanics, as well as other contracts and ongoing labor negotiations to complete. He observed that over the past 40 years, the two large unions involved have struck 10 times, a trend that he hopes will be ameliorated in the future.

## **Ongoing Projects**

The other source of significant concern to the MTA is the uncertainty surrounding the State budget, and the allocation of funds to local projects. Mr. Snoble felt that 400-500 transportation projects will face a considerable delay as a result of such action by the State. There are some major projects, however, that have been preserved through the proactive actions of the MTA, including the East-West Busway (San Fernando Valley) that will be completed in the summer of 2005. This will be a roadway developed for the exclusive use of buses that will enable passengers to travel from the Warner Center to North Hollywood in 30-40 minutes. The MTA also hopes to continue with the eastside light rail extension from Little Tokyo to Boyle Heights. The MTA is fighting hard to ensure that federal monies are delivered to the project, while at the same time, working with bidding contractors to bring down costs wherever possible. The project will require some time to finish, mostly because a tunnel will need to be bored in Boyle Heights.

## **Efficiency and Service**

One area in which the MTA has made substantial progress has been in Worker's Compensation. The MTA recently obtained its first arrest for Worker's Compensation fraud. Furthermore, 10 additional cases

involving fraud are currently with the District Attorney. Mr. Snoble believes that this arrest and the ongoing investigations sends a clear message to those contemplating fraud that such activity will not be tolerated. Additionally, the MTA has set up incentives to reduce costs (i.e. using MTA approved doctors as opposed to private doctors, etc.). However, the key to controlling worker's compensation costs will be to reduce the possibility of accidental injuries wherever possible. To accomplish this, the MTA has been engaged in an aggressive safety program. When Mr. Snoble first arrived in California in 1973, the LA RTD had one of the best reputations for safety in the country, and that is the reputation that Mr. Snoble hopes the MTA can reclaim. Toward this end the MTA has worked extremely productively with the state and agencies of other country.

The MTA has divided its system into five sectors, with each one considered an autonomous company. Other than the overarching constants such as fare structures or labor contracts, the responsibility for operating each of these entities lies at the sector level. By taking this approach new efficiencies will readily become apparent.

There have also been discussions regarding restructuring the entire system to more closely accommodate changing travel patterns within the County. Close attention is being paid to points of origin and destination, and matching the potential transportation needs accordingly.

One facet of this issue is the recent implementation of the Rapid Bus system. As the first such operational system in the country, it has led to increased ridership within these lines on the level of 40%. There are currently six Rapid Bus routes in operation, with the addition of a Crenshaw corridor route anticipated in early February. Rapid Bus, which is a different color design from regular bus, have a small transponder on board that communicates with traffic signals to keep signals green longer at the approach of the bus. This Rapid Bus program has increased the current travel speed by 30%.

Other efficiencies include a new maintenance system being implemented, allowing tracking of the individual components of the buses. This allows the MTA to change out worn parts before they give out or cause breakdowns. Some of these systems have originated in the military. These are examples of the manner in which the MTA is looking to creative sources for solutions to ongoing problems, especially in an environment where state and local monies have become more precarious.

Meanwhile, the local sales tax revenue remains strong, as opposed to other municipalities which have seen as much as a 25% drop in sales tax revenue.

#### **Environmental Progress**

The MTA also operates the largest fleet of clean air buses in the world, comprising some 1900 clean air buses (out of a total of approximately 2300 buses). There are approximately 2000 buses on the road each day, and the clean air buses are first to be put into service, with the diesel buses implemented only where necessity dictates. It is anticipated that within four years, the diesel buses will be phased out completely.

This new bus technology promises to improve the environmental friendliness of the MTA fleet, including new plastic buses, which boast both incredible strength and safety, as well substantially lighter construction. Some of the clean-air buses in the past have been conversions from diesel block engines to CNG engines – however, diesel block engines require much greater compression and much more weight as a result. Newer breeds of clean air buses include engines that take into account the lower compression requirements for natural gas combustion, and as a result, provide greater efficiencies associated with lighter engines and better construction.

The MTA is also investigating the use of hydrogen-cell powered buses, which at this point are extremely expensive, but the MTA is interested in garnering some experience with these clean air vehicles. Also promising are hybrid engine buses.

### **Other Partnerships**

The MTA continues to work with their partners, CalTrans at improving the flow of traffic throughout the County. Their focus is moving away from adding lanes to thoroughfares, as the traffic congestion really exist not on the lanes of travel, but on the entry and exit points to these thoroughfares. Their focus now revolves around the fundamental intersection bottlenecks – with solutions such as improving the efficiency of the traffic signal system, or adding additional turn lanes where appropriate. In addition, there is much interest in improving street and arterial designs, including the removal of certain traffic signals to improve the flow of traffic, somewhat akin to Rapid Bus.

There are also freight transportation issues. With the confluence of freight transportation centers in and around Los Angeles, there is a substantial amount of freight moving throughout the County at any given time. This movement has been linked to congestion and, as a result, efforts are underway to separate freight and passenger traffic. One area of particular concern is extending the solutions present in the Alameda Corridor all the way to the California border.

Along these lines, the MTA which already operates the Freeway Service Patrol for cars and passenger trucks, is working with the California Highway Patrol to implement a similar system for large trucks (eighteen wheelers, etc.), in an effort to minimize the traffic congestion that result when these large carriers break down. Also, the CHP and MTA are working together to create an inspection station at the ports in order to prevent breakdowns before they occur.

## **Commissioner Questions**

Commissioner Fuhrman asked about what investigative approaches are used to identify potentially fraudulent claimants in worker's compensation. Mr. Snoble stated that the first line of defense begins with careful management oversight – local managers and supervisors carefully reviewing the claims, as they relate to areas with which the managers and supervisors are most familiar. At this point, the MTA retains employees who specialize in the area of worker's compensation, and can spot suspicious claims. The local manager and supervisor have the authority to do some initial investigation. At this point, if the claim still seems suspicious, a group of trained investigators will pursue the matter further. One indication of fraud is often the sheer number of claims submitted by any single employee. Continued claims will generally erode at the veracity of the claimant. Also, video cameras on many of the buses allow for claims investigators to simply check the video footage to validate the worker's compensation claim. The MTA's recent arrest of an employee for worker's compensation fraud resulted from the video footage directly contradicting her claim. In those cases where the claim is legitimate, the MTA strives to offer the best care possible to the injured worker – but where the claim is fraudulent, it will be pursued vigorously.

Commissioner Hill asked that since there is a solid, permanent congestion present on the 710 freeway, with two of the lanes being occupied by large trucks, is it possible to meter trucks as there is for passenger cars? Mr. Snoble responded that the metering solution, where cars wait at the on-ramp to enter the freeway, was a solution to traffic issues more than 20 years ago, but is not as relevant as it once was. Most congestion is caused by the fact that there are more cars and trucks on the roadway than the roadway is designed to handle. Where congestion is caused by breakdown, obstruction or accident, the standard operating procedure currently is to get it out of the lanes as quickly as possible, and to minimize rubbernecking wherever possible by removing the distraction. Also, freeway travelers make poor driving decisions, such as cellphone use, lane changing, etc., all of which add to traffic congestion. Commissioner Hill asked if the trucking companies at the ports will operate in the future 24 hours per day? Mr. Snoble commented that the idea is a good one, and the MTA and the County are endeavoring to provide incentives to this highly fluid market sector to do so.

Commissioner Padilla inquired as to the number of commuters/travelers in LA County, and what percentage of those uses public transportation? Additionally, he wanted to know how that segment is distributed among rail, light rail, buses, etc? Mr. Snoble replied that of the total number of commuters during rush hour in LA County, approximately 4% use public transportation. He reminded the Commission that public transportation is only available to 7-8% of the populations, because Los Angeles has very unique travel patterns. Many people use the same travel corridors, but maintain a wide array of points of origination and destination – the

corridors being "frayed" at either end. Without common points of origination and destination, public transit becomes less available to commuters. Mr. Snoble illustrated this point by noting that there are 25 central business/employment districts within the County, each of which is on par with a city the size of the Cincinnati, OH central business/employment district. Another example would be the 10 freeway. This freeway is busy in both directions every morning as a result of cross-city commuting, and even north-south travel being achieved in part by lateral movement on the freeway. One possible response to reducing vehicular transportation is to develop areas where working, living, and entertainment centers are congregated together.

Chairman Philibosian asked about possible use of "double-decker" buses? Mr. Snoble responded that the exposure to lawsuit resulting from 35,000-45,000 passengers climbing up and down stairs was prohibitive. One possible solution is the new 60-foot and 145-foot articulated buses that would improve efficiency without the liability exposure. In fact, Mr. Snoble anticipates that the MTA's system expansion will arise not out of an increased number of buses on the road, but from higher capacity buses.

Commissioner Baltierrez commended Mr. Snoble and his staff on their efforts with respect to the Freeway Service Patrol. Mr. Snoble thanked Commissioner Baltierrez, and noted that standardizing the contracts with the multiplicity of service providers was an ongoing issue.

Commissioner Thierer inquired as to what new rail projects were in the planning stages? Mr. Snoble replied that the East Side Extension (to Boyle Heights) would extend into 2008. After that, probably the Expo Line, through Exposition and out to Culver City. Two other projects under consideration are the need to connect the Blue Line to the Gold Line, and extending the Gold Line as far as Azusa.

Upon the completion of his presentation, Chairman Philibosian thanked Mr. Snoble for making time for the Commission in his schedule and for making such an enlightening and instructive presentation.

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