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APR 7 1980

Honorable Tom Bradley
Mayor of Los Angeles
City Hall
Los Angeles, California 90012

Dear Mayor Bradley:

Thank you for your February 4, 1980, letter concerning the Los Angeles Downtown People Mover (DPM) project. As I am sure you know, the Urban Mass Transportation Administration (UMTA) has been working diligently with the Community Redevelopment Authority to complete the environmental review which is a necessary prerequisite to a formal Federal commitment to the project. We are anxiously looking forward to the successful completion of the Environmental Impact Statement review process.

If the environmental requirements are successfully met, this Department would be in a position to provide the full Federal share of the estimated \$175 million cost of the project consistent with Mr. John Taylor's August 22, 1979 testimony before the California Transportation Commission. As Mr. Taylor indicated, we will continue to explore the possibility of financing a portion of the project with Federal-aid highway assistance. Regardless of the source, however, I can assure you that sufficient funding will be available for a full Federal commitment to the project if the environmental requirements are met.

While we will have sufficient resources available to fund the full Federal share of the project at its estimated cost of \$175 million, we do have responsibility to implement fiscal controls on this and all other federally supported projects. We feel that the fiscal controls described in our DPM Policy Statement, dated April 22, 1979 (attached), provide the necessary flexibility to all parties concerned while simultaneously assuring us that the capital costs of the project will not become open-ended.

I hope this explanation will relieve your concerns. If I can be of further assistance to you, please do not hesitate to contact me.

Sincerely,

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RTG SYMBOL	C
INITIALS/SIG	Aron
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RTG SYMBOL	I
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