

CBS FIGHTING FOR MTA CONTRACT



Metro

The CBS Corporation has been covering the entire city of Los Angeles with numerous billboards, speaking highly of the corporation and the number of residents in the city of Los Angeles that the corporation actually employs. The billboards also state that the corporation has been contributing billions of dollars to the economy in Los Angeles. While some people may believe this campaign was designed to make residents of the city feel good, it is actually all about an issue that CBS has with a contract for the Los Angeles County Metro Transportation Authority, also referred to as MTA. Earlier on in the year, CBS received approval for \$110 million to renew the contract, a contract that will begin in 2013 and will end in 2018. However, CBS is looking to halt efforts from a rival in order to get the original winning bid turned over. The current rival is Titan, which is known for being an outdoor advertising company. The company has recently bid \$117 million for the MTA contract and that contract was rejected. Titan has been looking to appeal the ruling in front of the MTA board because they believe they did not get a fair chance at it. The MTA board may make their decision soon. It is believed that a final decision will be made by the end of the month, typically by or before September 27th. In the meantime, executives at CBS have stated that Titan is known for being very aggressive with the bids when it comes advertising and the different transportation authorities. Executive say that Titan is known for renegotiating the terms after a certain period of time. The Chief Executive for CBS, Leslie Moonves, has said, "Their record is spotty." Just two year ago, Titan ended up losing out on its contract with the NYC Metro Transportation Authority. Those years ago, Titan failed to make the necessary payments for the contract and the city eventually decided to take possession of the bank guarantee that the company had, which was worth around \$20 million. CBS happened to have once been outbid by Titan but still received the contract because of default. Moonves said, "The CBS Corporation has never defaulted on a contract." She also said, "To choose that company over ours just seems preposterous; we have financial strength behind our company." It is believed that the reason these billboards are being spread all over Los Angeles is not because CBS wants to spread the good news of all it has done for the city. Instead, it is more of a way for CBS to let city officials know how unhappy the corporation will be if the MTA decided to overrule on the recommendation that the staff has given over the contract between Titan and the MTA contract in Los Angeles.