



September 14, 2015

The Honorable John Thune, Chairman
US Senate Commerce, Science, and Transportation Committee
560 Senate Dirksen Office Building
Washington, DC 20510

Dear Chairman Thune:

I am writing in response to your September 4, 2015 letter requesting information regarding the challenges faced by Central Texans and Capital Metro if Congress fails to modify the December 31, 2015 statutory deadline for implementation of Positive Train Control (PTC). Safety is a top priority at Capital Metro. Our employees are trained in and required to comply with all applicable safety laws, regulations and rules in order to prevent harm to themselves, our passengers and the communities in which we operate.

While we have been working diligently to implement a system that meets all four of the requirements under PTC, I have been closely watching the efforts of Congress to seek an extension and financial assistance for this burdensome requirement. I am encouraged by your leadership on the PTC deadline and your commitment to help commuter railroads implement safety technology.

Capital Metro owns 163 miles of freight rail line between Giddings east of Austin to Llano northwest of Austin, and runs 32 miles of commuter service from Leander, a northwest suburb, into downtown Austin on the single-tracked freight rail line. Capital Metro opened commuter service (the "Red Line") in 2010 with six vehicles, running 12 trips a day and carrying less than 20,000 riders a month during the peak travel period. The commuter and freight traffic are temporally separated, with freight service that runs mid-day and at night. Today, we are carrying 66,000 riders a month with additional service during the midday, weekends, and special events.

Like most commuter railroads, Capital Metro will not be able to meet the current deadline for implementation of PTC due to technological and financial factors. Just as no commuter rail system is the same, there is no one-size fits all version of PTC for all commuter rail systems. Given the size and operational characteristics of our system, I have looked to our peer commuter rail agencies in Utah and Portland, who have similar systems, to obtain their perspectives on PTC. Using a mix of existing and new technology to meet the requirements has taken more time than initially estimated when developing our first implementation plan.

While the lack of proven technology has been a factor, the greatest burden has been the cost. Capital Metro started the Red Line for approximately \$150 million (all local funds), and the cost of implementing PTC is estimated between \$30-50 million. There has been no assistance from the state or federal governments with this enormous cost. This cost comes as Capital Metro has just dug its way out of the financial difficulties caused by the expense of developing the new line coupled with the Great Recession of 2008.

The Honorable John Thune, Chairman
September 14, 2015
Page 2

While Capital Metro is committed to implementing PTC, we agree with former Office of Information and Regulatory Affairs Administrator Cass Sunstein that the cost far outweighs the benefits. PTC does not prevent all types of incidents but in fact takes money away from state of good repair items that have been shown to improve safety across the system. There is still much work to be done along the line that will be pushed into the outlying years of our budget, including rail replacement, timber and surface, bridge replacement, and improvements at crossings.

Capital Metro supports statutory and regulatory improvements that would provide a deadline extension. Capital Metro also supports federal funding, greater flexibility for smaller commuter rail systems, and an increased threshold for limited operation exceptions from the requirements.

If the current PTC deadline is not extended, Capital Metro would be required to consider two options:

- 1) Significantly reduce freight and commuter service and seek an operations exception from the Federal Railroad Administration (FRA), which FRA may or may not consider. Since each Red Line trip is already completely full during peak travel periods, this would result in substantially reduced service and increased congestion on roadways.
- 2) As we are contractually and statutorily obligated to continue freight service on the line, Capital Metro could be required to cease all commuter service. This would result in an impact in mobility, congestion, safety, air quality, economic activity and community vitality across Central Texas. Central Texas has one of the most congested roadway networks in the US, and the Red Line takes approximately 2,700 trips off that roadway network each day.

None of these options is a good option for the people of Central Texas, and I hope that under your leadership and other like-minded members, Capital Metro will not be faced with making this choice.

Thank you for the opportunity to discuss the challenges of the current PTC implementation deadline. I know you will receive information from many freight and commuter railroads painting a compelling picture of the need for a deadline extension. I appreciate your leadership in addressing our concerns by providing reasonable solutions, all while emphasizing the importance of safety on our nation's rail system. Safety is of paramount concern at Capital Metro and we are expeditiously working to implement PTC.

Please feel free to contact me with any questions or if you would like additional information regarding this matter.

Sincerely,



Linda S. Watson
President/CEO