

September 10, 2015

The Honorable John Thune
Chairman
Committee on Commerce, Science, and Transportation
United States Senate
Washington, D.C. 20510-6125

Dear Chairman Thune,

Thank you for your letter requesting information about Metra's positive train control (PTC) installation and the impact on our system if Congress does not extend the December 31, 2015 implementation deadline. As the commuter rail service provider for the northeastern Illinois region, our primary goal is the safe operation of more than 750 trains that run daily throughout our system, providing about 300,000 passenger trips each day and 83.4 million passenger trips per year. We remain committed to the implementation of PTC in a safe and prudent manner. However, many significant challenges prohibit our ability to meet the federally-mandated deadline.

Metra Overview

Metra is one of the largest and most complex commuter rail systems in North America, serving Cook, DuPage, Will, Lake, Kane and McHenry counties in Northeastern Illinois. The agency provides service to and from downtown Chicago with 241 stations over 11 routes totaling nearly 500 route miles and approximately 1,200 miles of track.

Metra owns and operates four of its 11 lines, has trackage-rights or lease agreements to operate Metra trains over freight railroads on three lines, and has purchase of service agreements with two freight railroads which operate commuter service on four other Metra lines.

Metra's core business is to serve people traveling to downtown Chicago to work. Approximately half of all works trips made from suburban Chicago to downtown are made on Metra. Our customers come from all parts of our region's 3,700 square miles.

Metra PTC Implementation Update

Metra faces unique challenges implementing PTC as a result of Chicago's complex railroad infrastructure and role as the nation's busiest transportation hub. In fact, Chicago handles one-fourth of the nation's freight rail traffic each day, handling 37,500 rail cars.

More than 1,300 trains operate in the Chicago area each weekday, including 750 Metra trains, 500 freight trains and the remainder Amtrak trains. Metra must interact and coordinate its railroad operations on a daily basis with all railroads operating in Chicago – including six of the seven Class 1 railroads. PTC implementation must be closely and carefully coordinated with each of them. As a result, Metra has directed much of its initial resources toward our contract carriers, Union Pacific Railroad (UP) and BNSF Railway (BNSF).

Despite these challenges, we have made steady and consistent progress in implementing PTC. We currently expect to have on-board equipment completely installed on BNSF by the end of this year and on UP by the second quarter of 2016. After those systems are tested and become operational, more than 40 percent of Metra's train fleet will be PTC-compliant.

Metra has also made significant progress toward implementing PTC on the lines we own. To date, that includes:

- Allocating \$153 million in capital funding from federal formula funds and state sources toward PTC.
- Installing PTC equipment on half of our 530 locomotives and cab cars.
- Continuing signal upgrades at 12 interlocking locations – half the all signal locations on our system.
- Installing 118 wayside interface units.
- Hiring a system integration team to design Metra's PTC system.
- Awarding contracts to engineering firms to design necessary upgrades to our signal system and to draft specifications for other tasks.
- Filling key leadership positions on the PTC project, as well as hiring more than 50 full-time employees to install PTC in the field and on our trains.

Continuing PTC Challenges

However, despite our progress, many significant challenges remain, including is cost and funding. PTC implementation is an unfunded mandate and expected to cost Metra more than \$350 million. Our agency receives approximately \$150 million each year in federal formula funding for all of our capital needs, such as bridges, track and signals. Thus, to fully fund PTC, Metra would need to spend 100 percent of its federal funding for two and one-half years. Nationwide, the American Public Transportation Association (APTA) estimates that it will cost more than \$3.48 billion to fully implement PTC on all commuter railroads.

In addition, Metra, like all other railroads, has been constrained by the limited number of firms that can provide signal design services and the limited expertise available to accelerate design and deployment. Those firms and expertise are needed by most railroads to help redesign and renew existing signals and install trackside components – a tough job made even more so by the sheer volume and complexity of the task. We have also been limited by the availability of the needed equipment.

Another challenge has been the deployment of a national 220MHz communications network for PTC among U.S. railroads. The network is critical. The onboard, trackside and back office components of every railroad's PTC system have to be able to communicate via a radio network. In Chicago, it is undetermined if we have enough spectrum available for the PTC needs of the region's railroads until a spectrum study is completed by Transportation Technology Center, Inc.

Another challenge is that the initial technology continues to be revised. A major prerequisite for the PTC system is the creation of a detailed database of every route on the system – a time-consuming and extremely labor-intensive process. A process will be needed to document and update GPS coordinates every time a critical PTC asset is moved more than one foot. These processes are dependent upon the final onboard software. A final production release date is not known at this time.

Other challenges include expected issues with components and software as full system testing continues this year. So far, only partial testing of individual segments of the system has taken place. And, the fear of component failure is driving designs with more redundancy, which is further lengthening the design process. In addition, the Federal Railroad Administration (FRA) must review and certify every railroad's plans.

Metra's current timeline for full PTC implementation is 2019, although we expect several lines to be completed before then.

Consequences of Failure to Extend the PTC Deadline

Metra has been tirelessly advocating for an extension of the PTC deadline due to numerous technical, regulatory and operational challenges. The railroad industry and the FRA have also known that the 2015 deadline is unattainable. In our view, the time has come to adjust the implementation schedule to reflect reality.

Working with the American Public Transportation Association and the American Association of Railroads, we have asked Congress to allow the FRA to give waivers to agencies that have made a good-faith effort to meet the 2015 deadline. We remain hopeful that we can work with Congress and the FRA on a solution that will allow us to safely implement PTC on our system and continue to provide 300,000 daily passenger trips.

Time is now running out. It is with great concern and trepidation that we must begin to prepare contingency plans in the event that the December 31, 2015 PTC implementation deadline passes. In addition, our plan is to fully brief our Board of Directors at its September 21st meeting to discuss the path forward.

In addition, we are currently working with the FRA to obtain further clarification on the legality of our ability to operate past the December 31, 2015 deadline. Metra along with other APTA members will be meeting with the FRA to discuss these concerns at the end of the month.

In the absence of an extension, there is a strong possibility that Metra will not be able to operate our trains beginning January 1, 2016. Additionally, the two railroads with which we have purchase of service agreements - UP and BNSF - have stated that they do not plan to operate passenger rail until PTC is fully implemented and operational. Both have stated that they will not have PTC fully operational by the December 31, 2015 deadline. These lines are our busiest and carry more than 50 percent of our customers.

While it will be a limited option, we have already reached out to our transit partners at CTA and Pace to learn if any operational changes can be made to accommodate an increase in passengers on their systems. However, we recognize that there is no way our transit partners can accommodate any but a small fraction of our 300,000 riders. We are also developing communication plans to alert our customers of a decision before October 31 so that they can begin to consider and prepare for alternate transportation.

As background, under federal regulations all qualified maintenance personnel must ensure locomotive and cab cars have the required safety systems and that they are functioning properly. After December 31, 2015, procedures for pre-service inspections will include PTC as a legal requirement. To be clear, Metra does not and will not support any action that would cause our employees to operate our trains in violation of any regulation.

This is not a decision we plan to make without thoughtful consideration of all of our options and the impact this would have on our customers and our employees. Operating in violation of regulations poses serious consequences. Our employees could face a personal civil fine of \$25,000 per violation as well as loss of their certifications. We place a tremendous value on our employees and will not put them at risk in this way. If these fines were to be paid by Metra, we anticipate they could cost our agency nearly \$19 million per day.

The potential impacts of a shutdown of Metra service on our customers, employees, Chicago area residents and others are severe and far-reaching.

First, if Metra is unable to operate past the deadline and we shut down our operations, our 300,000 weekday passenger trips will have to be made by alternate means.

The great majority of our riders will likely be forced onto our region's already congested roads and highways. In fact, a report by the Texas A&M Transportation Institute found that five of the 20 most congested roads in the nation are in the Chicago area. This resulted in 61 extra hours behind the wheel on average in 2014 because of delays caused by gridlock.

A shutdown would result in an increase of vehicles on our local roadways. Such action would be forcing our customers to move from one of the safest modes of transportation to one that is less safe, which was not the intent of the 2008 Rail Safety Act. If Metra service did not exist, it would take 29 extra lanes of expressways to accommodate our riders. As you know, mass transit also reduces the carbon footprint in an already congested and polluted region.

The shutdown would put many of our customers – those with little or no other transit options – at risk at the beginning of one of the historically coldest months in Chicago. This includes seniors, students and low-income riders who depend on Metra to get to work, school and doctors' appointments. Metra is a lifeline for many in our region.

The shutdown would impact our local economy by contributing to roadway congestion that already costs our region \$7.2 billion annually and by impacting communities whose residents may not be able to go to work and collect their paychecks.

In 2014, Metra experienced the second-highest ridership in history. Clearly, at a time when customers and their families need us the most, a shutdown would be devastating. At a time when funding sources are scarce, now more than ever we depend upon growing our ridership revenue.

Further, if Metra shut down it could take several months to restart our operations as a result of furloughs of train crews and maintenance forces. This would place an enormous financial burden on our employees, who would cease to collect the wages they need to support their families. I want to assure you that we take these matters seriously. We will do all we can to prevent this crisis from happening within the confines of the law as it exists today.

I would like to thank you for your support for legislation that would responsibly extend the PTC deadline. As always, Metra remains committed to implementing PTC as quickly and as safely as we can, but like most of the rest of the U.S. railroad industry, we simply need more time. We remain hopeful that with your leadership, Congress will take appropriate action. Please do not hesitate to contact me should you require any further information.

Sincerely,



Don Orseno
Executive Director/CEO, Metra

cc: The Honorable Bill Nelson
The Honorable Deb Fischer
The Honorable Cory Booker
The Honorable Anthony Foxx,
United States Secretary of Transportation
The Honorable Sarah Feinberg, Acting Administrator, Federal Railroad Administration
The Honorable Daniel R. Elliott, III, Chairman, Surface Transportation Board
The Honorable Deb Miller, Board Member, Surface Transportation Board
The Honorable Richard Durbin
The Honorable Mark Kirk