



Metropolitan Transportation Authority

State of New York

September 14, 2015

Hon. John Thune
United States Senate
Committee on Commerce, Science and Transportation
Washington, D.C. 20010-6125

Dear Senator Thune:

On behalf of Metro-North Railroad (MNR) and the Long Island Rail Road (LIRR)—the two busiest commuter rail operations in the United States— I thank you for the opportunity to share our progress and challenges meeting the Positive Train Control (PTC) implementation deadline. Because this is an issue of critical importance that affects both commuter railroads operated under the umbrella of the Metropolitan Transportation Authority (MTA), I am responding to your September 4, 2015 letter myself.

The Metropolitan Transportation Authority's two commuter railroads – Long Island Rail Road and Metro-North Railroad – are the nation's largest. With 1,400 trains per day, the railroads provide nearly 588,000 rides on an average weekday morning, with a total of more than 177 million rides annually. The two railroads operate some 2,400 rail cars along 1,381 track miles. The combined service region spans nearly 5,000 square miles and has a population of 15 million.

MTA continues to make every effort to advance implementation of PTC throughout our commuter rail network and is committed to achieving full implementation of this important safety technology as quickly as is feasible. Toward that end, MTA's Capital Program provides for an investment of nearly \$1 billion to support the necessary testing, development, purchase and installation of PTC, a sizeable portion of which has already been contractually committed. And, as described below, significant progress toward implementation has been made. Nevertheless, despite MTA's substantial investments and continuing diligence, LIRR and MNR will not be able to meet the December 31, 2015, deadline for full PTC implementation, and we are not alone. As you point out in your letter, the Federal Railroad Administration (FRA) has concluded this is the situation for the majority of commuter railroads. Similarly, no freight railroad will be able to comply with the current deadline.

MTA joins these other railroads in support of sensible legislation that extends the PTC implementation deadline, thereby enabling LIRR and MNR to progress sound implementation of this important safety technology. Absent such an extension, railroads face serious potential disruptions to operations and exposure to unacceptable risks of liability and civil fines, all of which would divert railroad resources from the critical task of speeding final implementation of PTC.

Progress to Date and Impediments to Achieving Deadline Compliance

As Chairman and CEO of the nation's largest transportation network, ensuring the safety of customers and employees is paramount. No one would public dispute that PTC is an important tool to achieve that goal. Toward this end, I directed that the MTA commuter railroads create as aggressive a schedule as possible to begin installation and both commuter railroads have made significant progress toward PTC implementation. MNR and LIRR have publicly reported that they are diligently working toward full implementation on the MTA's commuter rail network by December 31, 2018, and that PTC functionality will be introduced in stages before that date, deriving the maximum benefit of this technology as quickly as practicable. In addition, both railroads have made significant interim investments to ensure the continued safety of their respective systems, as per recommendations from the Federal Railroad Administration (FRA) and the National Transportation Safety Board (NTSB). The MTA's Railroads are confident they will operate safely until PTC is fully implemented.

The difficulties in meeting the December 31, 2015 deadline reflect the fact that in 2008, when the deadline was mandated legislatively, PTC was not an "off-the-shelf" product that could be purchased and implemented without substantial research, design and testing efforts by the railroads.

The MTA commuter railroads continue to deal with these challenges, which include designing for interoperability between railroads and we are still trying to procure the radio spectrum in all areas of our network to support full PTC implementation. This is a process we began over 8 years ago and are still working to resolve. Unfortunately for the entire industry, these are significant challenges that railroads have had to address and must continue to resolve before PTC can be deployed successfully in a commuter rail environment as heavily congested as in the dense New York metropolitan region. As you know, many of these challenges faced by the railroads have been identified by the FRA and discussed in some detail in its own prior reports to Congress addressing the status of PTC implementation.

Consequences if the PTC Deadline Is Not Extended

If Congress does not act on an implementation extension, the impacts to our customers and therefore to the economy of the New York Metropolitan Area could be very significant. Currently, there is little in the way of definitive answers about what will occur, absent an extension, on January 1, 2016.

Potential Civil Penalties and Enforcement Actions: In the absence of a deadline extension, many commuter railroads would be in violation of the Rail Safety Improvement Act if they continue to transport passengers. The Acting FRA Administrator has stated that civil fines will be imposed against non-compliant railroads. There is also a question still to be addressed on personal fines that will be imposed on personnel who certify the equipment for daily service. This has caused several of our sister properties to warn that they will have to cease service on January 1st. We would also be in the same predicament if indeed labor was put on notice that they could be subject to individual fines of up to \$15,000. These fines would be in addition to fines the FRA is looking to impose on agencies. The impacts of labor facing fines would put the continued operation in jeopardy.

Ability to Continue Rail Operations: A number of freight carriers (CSX, UP, BNSF and others) and commuter railroads have recently said that they will suspend passenger service on their lines if the deadline to implement PTC is not extended. CSX also has warned that they could potentially stop

operating freight trains on Metro-North Railroad which would impact delivery of goods and the hauling of waste out of the New York Metropolitan area. The results of not providing a means of extension could well impact all modes of transportation in the Tri-State area.

MNR and LIRR must address concerns about the possible impacts out of compliance operations might have for the thousands of railroad employees who operate our services as well as the implications for labor relations. We would need to assess whether actions could expose operating employees to potential enforcement risks in connection with rail operations conducted prior to full PTC implementation. Can maintainers prepare non-PTC equipped trains for service? Might train crews be found in violation by taking that train in service? For that matter, can operations managers and executives commit to continue operations on areas of their railroads that do not have PTC installed? And, last but not least, absent an extension of the deadline, might there be potential liability concerns to the entire organization should an incident occur after the legislated deadline but before full implementation?

If these serious concerns are not sufficiently allayed before the deadline passes, employee fears about liability will most certainly have a detrimental impact upon their willingness to perform their job responsibilities and, as a potential consequence, upon the organization's ability to continue to operate safe and reliable service.

The MTA commuter railroads are part of the essential transportation network that drives the economy of the largest metropolitan region in the country. As noted, together, LIRR and MNR provide nearly 588,000 rides on an average weekday morning. The threat is real: the prospect of even a short-term disruption of this service would certainly have significant consequences for the economy of both the region and the nation.

We thank you for your inquiry and your continued leadership in Congress on issues important to the transportation industry. We look forward to your support of legislation that extends the PTC deadline, recognizing the good faith efforts by railroads to implement this complex technology. And we stand ready to provide any additional information to inform Congress' consideration of this important railroad safety issue.

Sincerely,



Thomas F. Prendergast
Chairman and Chief Executive Officer

cc: Joseph Giuliatti
Patrick Nowakowski