



President's Board Remarks
Wednesday, February 10, 2010

Good morning Chairman Peterson and members of the Board.

On Sunday, the CTA implemented service reductions impacting both bus and rail.

As I have said repeatedly and heard echoed by transit advocates near and far, we did not want to reduce service or lay off employees.

Many dedicated employees were laid off on Sunday.

We wanted to preserve these jobs. We wanted to maintain service. And, we have worked hard over the past few months to avoid this action. However, the time has come to make tough decisions. Now is the time to effect the necessary change, to begin to restore the financial health of this agency.

We have reached out to union leaders. We have requested a resumption of talks with ATU local 241 and 308. We await a response from ATU leadership. Chairman Peterson and I have made it clear that we are available to meet - at any time, day or night.

Although the unions have not provided the CTA with a proposal to consider, they have provided one to media outlets. This week a proposal was received by that very indirect exchange.

We have asked our budget and finance staff to review the items on the list and assess what cost savings may be associated with the specifics of the proposal.

Although we have yet to reach an agreement with the ATU, I am pleased to report that over the weekend we had very productive discussions with the coalition that represents a dozen trade unions. We reached an agreement to save 38 trade jobs that otherwise would have been lost.

The agreement still has to go to union members for ratification and is before you for consideration today.

The representatives of this trade coalition met on behalf of the employees that repair, maintain, and construct our facilities. It was a productive and respectful exercise we hope will result in the permanent restoration of these 38 jobs.

Although these jobs are not directly tied to restoring service for customers, I feel it's a positive development that the union leadership is willing to work with us to save money and save these jobs.

We hope that the leaders of the ATU are willing to do the same and look forward to continuing our discussions with them.

We want nothing more than to be able to save jobs and restore service as quickly as possible.

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In regard to the service reductions, since implementing the new schedules on Sunday we've experienced no major delays or occurrences, even with a snow storm added to the mix.

However, that doesn't mean that there weren't instances where riders had to wait for one or more vehicles before they were able to board, particularly during the peak of rush. This is not unusual on busy routes during rush periods, and was expected as a result of the cuts.

We have seen more demand on those local routes where express service has been eliminated, which is why we added service on those locals during rush periods.

Although we knew we could not accommodate all riders, we at least wanted to help accommodate those who had previously used the express service.

Bus Tracker is a great tool that can help minimize wait times for buses. Activity on our bus tracker web site has been notably higher since Sunday, and we've also had more people sign up for the email and text message services we offer.

I want to thank our customers for working with us to get through this transition. We will continue to have personnel out monitoring service throughout the week and feeding information back to our Planning and Control Center staff.

Our Customer Service center has been busy since Saturday fielding calls from customers. On Monday, we received nearly 2,000 calls, which was about 72% higher than last Monday. The majority of callers requested brochures and specific route information, as opposed to complaining about service. By Tuesday morning, call volume was closer to normal levels.

The snowfall has been an additional challenge. We continue to recommend customers allow extra travel time.

Teams have been out sanding, salting and plowing the bus garages and bus turnarounds to keep buses moving. We have staff out at rail terminals to clear snow and at stations to keep the platforms clear. Also, measures to keep the switches from icing over and the third rail clear have been in place since Monday night.

I'd like to take this opportunity to thank all the employees who have been working around the clock for the last week so that I could be before you today to say we didn't experience any major problems due to the service changes or the snow.

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Our dedicated, hardworking staff, in addition to planning and executing the service reductions and combating the winter weather, has been diligently working on two important items on today's agenda.

First, we will be adding automated teller machines throughout the rail system and at several employee locations to generate revenue and offer convenience for riders and staff.

The ATM contract will generate at least \$4.7 million in additional revenue over the five-year term and increases the number of ATM locations on CTA property from 52 to 77. We expect to increase that number to nearly 100 locations by the summer.

And, as part of the new rail car purchase, we will issue revenue bonds that will allow us to complete the purchase of 406 rail cars. When the cars were ordered in 2006, CTA programmed the issuance of bonds as part of its capital spending, and we are ready to move forward with those plans.

The new rail cars are much needed as we look to upgrade the fleet and infrastructure to better serve our customers.

Last month, we announced plans to expand surveillance cameras across the rail system. With the expansions of the camera network, we plan to increase the availability of information and images to the public. The cameras are a great tool that can contribute to community policing efforts. We'll make images available to the police for community alerts that can be posted at our stations.

In situations where the police are seeking community assistance, we will use our camera network to further provide a safe and secure environment for customers.

One last note of importance – today is Kent Ray's last day at CTA. He was appointed Acting General Counsel in August and has been with the CTA since 1990.

I want to thank Kent for 20 years of hard work, especially over the past several months in dealing with the union negotiations and budget issues. I wish him the best of luck and good fortune in his next role at the State's Attorney's office.

I also want to take this opportunity to welcome Brad Jansen as the new Acting General Counsel. He couldn't have asked for a more interesting time to take on this new role, and I am confident he will continue demonstrating himself to be a valuable asset to CTA.

Thank you. This concludes my report.