Thank you Chairman Brown.

Good morning. I would like to provide a few quick updates on what has transpired since my appointment almost 30 days ago.

We have good news to report in terms of capital funding. Late last week, the General Assembly passed a capital funding program, and it was immediately signed by the Governor.

The CTA is due to receive approximately $496 million, which will be used to purchase new buses and renovate existing buses, rehabilitate some of our aging facilities, refurbish or upgrade substations, and replace track on the Red Line.

Although we have an unmet capital need of $6.8 billion in order to get to a state of good repair, this is certainly a step in the right direction. This state funding will enable us to continue making the progress necessary to improve overall service quality.

We are also in a good position with federal capital funding. As you know, the CTA is expected to receive $241 million in federal stimulus funds and we are moving quickly on all our projects. Last month, the Board approved a contract for our first stimulus project – track replacement work in the Dearborn subway on the Blue Line. The construction work will begin later this month. Even though we will try to schedule the work to minimize disruptions to service, the reality is that it will be necessary to have line cuts on multiple weekends. We will work hard to keep our customers informed in advance of these disruptions. Although customers will experience some temporary inconveniences while work is underway, they will also benefit from a faster, smoother, and safer ride when the project is completed.

The CTA was also privileged to host Congressman Lipinski and Congressman Oberstar for a briefing and tour about the Blue Line
project. Congressman Oberstar chairs the House Infrastructure and Transportation Committee.

We have today signed the contract for our second stimulus project – the purchase of 58 hybrid, articulated buses for $49 million. With this contract, we have obligated close to 60% of the stimulus funding provided four weeks ago.

Once our application for the additional stimulus projects funding is approved, we will be able to move ahead with bus and rail car overhauls.

Also, there are some opportunities to pursue additional economic stimulus funds. I want to assure you that given our enormous capital needs, the CTA is exploring all available options.

We still have some challenges with our Operating Budget and are working through different alternatives to close the $155 million gap that was created when the RTA reduced our public funding levels.

The CTA’s budget team is putting together a plan for cost containment measures to help address this unanticipated shortfall. Additionally, we are continuing to talk to the RTA on ways in which they may be able to assist. We expect to present a recommendation to this board in May.

I am pleased to report that during the month of February, we operated a more efficient fleet.

Door defects on rail cars are always our biggest concern during the winter months. Preventative measures such as installing door brushes and changing the sensitive edges were completed to improve the reliability of the fleet. This resulted in a reduction in repeater defects and a 15% increase in the mean miles between reported rail defects.

With the introduction of new more reliable buses, additional buses were available for service and there was an increase in mean miles between service disruptions from 2,413 in January to 3,875 in February. This, in
connection, with the temporary deactivation of older articulated buses, resulted in better performance in February.

Internally, Facilities staff utilized Infor as a management tool to electronically track work completed and monitor the progress of each trade daily. Management used this information to make better decisions on how to schedule and prioritize work in order to address problem areas efficiently. In February, 96% of Facilities work orders were completed on time.

Now, I have an update for the Board on ridership.

In March, 44.7 million rides were provided, an increase of 4.7% compared to March 2008.

The rail system provided 16.8 million rides in March, an increase of 6.8% compared to last year.

The bus system provided 27.8 million rides in March, also an increase of 3.5% compared to March 2008.

During the first three months of 2009, ridership has been strong, up by 5.8 million rides as compared to 2008.

This map is a combination of bus and rail data, representing year-over-year change. As can be seen, the north and west sides have been doing very well. Except for some very small pockets of loss, overall ridership is up.

There is also good growth on most of the south side; although the southwest side is weak relative to the rest of the system.

At the beginning of this year, the #18 bus was redesigned to serve the Roosevelt corridor, versus Cermak Road. The shifting of ridership can be seen in the area just south of downtown.

Ridership originating at the airports has been declining and we are investigating the loss in ridership at the Jefferson Blue Line station.
Rail ridership has grown on most lines in 2009. The completion of the 3-Track construction project and opening of closed stations has had a positive effect on the Brown Line, Purple Line, and north side Red Line.

Yellow Line ridership is up because we added weekend service, and Blue Line ridership is increasing ever since we reduced slow zones.

On the other hand, ridership is down at the Midway-Orange Line Station and on the south side branches of the Green Line, decreasing overall ridership for these lines.

Lastly, I would like to inform you that we continue to make progress with the Bus Tracker system. On April 20th, another 19 routes will be added to the system bringing in the total number of routes on Bus Tracker to 129 out of 153 routes.

We remain focused on providing service for our customers that is on time, clean, safe, and friendly.

Thank you. This concludes my report.