

# President's Report

Chicago Transit Board – December 9, 2009

Thank you Chairman Peterson, members of the board.

We experienced our first winter storm last night and demonstrated again that that public transportation is a very good option to driving when conditions are treacherous.

Every fall the CTA starts winterizing the fleet and facilities so that we can provide reliable service in weather like this. The early preparation goes a long way in readying our facilities and fleet to handle inclement weather.

All buses are inspected. This process includes checking the operation of heaters and making sure all windows, vents, hatches and doors close securely to keep heat from escaping.

Our rail cars are equipped with sleet scrapers that are lowered as needed to the third rail to remove sleet from the rail surface. Some rail cars are also equipped with modular units that spray de-icing fluid onto the third rail to fight sleet build up. The front of the head car of each train is equipped with a v-shaped snowplow blade that keeps snow off the running rails while the train is in service.

Track switches are tested and serviced to prevent icy build-up and minimize service disruptions.

To keep CTA facilities operating efficiently during winter weather, sand boxes on rail station platforms and salt storage boxes at bus turnarounds are restocked. And, to help customers stay comfortable on elevated platforms, overhead heating fixtures are activated on all of CTA's 125 outdoor rail stations.

We also have a relatively new tool with CTA Bus Tracker that helps customers minimize their wait time.

It works in any weather, but is especially valuable in bad weather.

We don't hope for a long winter, but we work hard to prepare for it.

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Now I would like to give you quick updates on some other projects and initiatives.

Although 2009 was a challenging year financially due to a considerable loss of public funding, I am happy advise the Board that we have continued to manage our costs carefully and remain on track to finish this year with a balanced budget.

As 2009 comes to a close, we are also wrapping up one of our largest capital improvement projects to date -- the capacity expansion of the Brown Line. Work on the Belmont and Fullerton stations is expected to wrap up by the end of the year so that we can bring this \$530 million dollar project in on time and on budget. We thank our Brown, Red and Purple Line customers for their patience during the construction process.

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The CTA is also replacing the more than 30 year-old signal and train control systems in the Loop. The new system will help to improve the reliability of service by regulating train movement, speed and intervals at the junctions where trains enter and exit the Loop.

Last month crews installed a new signal control facility at Lake and Wells. The work required rerouting all the elevated lines over the weekend. It went very smoothly and normal service resumed Sunday night.

The Loop Signal replacement project is expected to conclude in late 2010. The project is being conducted in phases to help minimize the impact to customers. The majority of the work has taken place on weekends and in the early morning hours.

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Customers on the Blue Line have also been patient this year while we shut down segments of the line most weekends to conduct tie replacement work. Crews are replacing deteriorated wooden half ties with concrete half ties to remove emerging slow zones and help prevent the creation of new slow zones. So far, more than 20,000 feet of track have been replaced.

Thanks to the federal stimulus program, we received funding to accelerate this important work. I'm happy to let our Blue Line customers know that the final line cut for this project will be this month. Although some work will continue in the first quarter of 2010, we don't anticipate any additional line cuts.

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We are also planning ahead for future projects. Last week we held a series of public meetings that will provide guidance for doing major rehabilitation work on the Purple Line and the north end of the Red Line. Our objective was to gather public input on existing conditions and issues that can help inform us as we set priorities and seek funding.

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Our funding needs were also the reason I traveled to Washington D.C. last week where transit officials from around the country were gathered along with APTA – the American Public Transportation Association - to discuss the upcoming reauthorization of the federal transportation bill and the new jobs bill that is under consideration.

The FTA has recommended that the reauthorization include funding that would help large, older transit systems such as the CTA get closer to a state of good repair. So while I was in Washington, I was fortunate to have a chance to meet with Senate Banking Committee staff to talk about the CTA's needs. These are the individuals who create the programs and decide what new initiatives will be included in the bill. I also had a chance to have those conversations with FTA administrator Peter Rogoff as well as with some staff from the Illinois delegation.

CTA staff also attended a meeting with the White House Office of Urban Affairs to further discuss the funding needs of large, older transit systems to attain a state of good repair.

As discussions about the reauthorization are underway in Washington, it is important to keep making our case to as many decision-makers as possible.

They are hearing our message. Yesterday, at a House hearing about the FTA's proposal to assume responsibility for transit safety oversight, Administrator Rogoff held up a rusty, 65-year old CTA screw

to illustrate a point about the needs of the older transit systems and the challenges faced in reaching a state of good repair.

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Today we have introduced for the board's approval a new Disadvantaged Business Enterprise (DBE) program for contracts funded out of CTA's operating budget. Although the MTA requires that CTA establish such a program by January 2010, it is simply good government policy.

The CTA works hard to cultivate and develop relationships with community, local and small businesses and a good DBE program is fundamental to that effort. It will provide a great way for smaller businesses to get a foot in the door of doing business with the CTA.

This is one more step in our ongoing efforts to increase DBE participation. In September, we began hosting monthly certification workshops for potential vendors. We have also hosted several meet-and-greets between CTA vendors and certified DBE firms to help cultivate business relationships.

Additional outreach efforts will include providing a longer bid lead time to give more companies the chance to identify ways to meet DBE requirements, creating partnerships with vendor assist agencies and providing interested parties with information via electronic newsletter, posting payment information and contracting opportunities online.

We also continue participating in the annual Transit Symposium, which is an event started by the CTA back in 1994 to bring its vendors and DBE's together. It has now grown into a large event jointly hosted with the RTA , Metra, and Pace as well.

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And now I have an update for the board on ridership.

In November, 42.6 million rides were provided, which is consistent with November 2008.

Year-to-date, ridership on the bus system is down by 2.9% compared to last year, and rail ridership is up by 2.6%.

Year-to-date, ridership is down 0.8% over last year at this time, equivalent to 3.9 million rides.

However, ridership this year is outperforming ridership in 2007. We believe the losses are primarily due to the economy since the decreases are during rush periods when work is typically the destination. In off peak hours and on weekends, we are seeing increases.

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In closing, please don't miss your opportunity to experience a Chicago tradition: The CTA Holiday Train.

Currently in its 18th year, this festive train began as a way for CTA employees to deliver holiday food baskets to those in need. It is now a six-car train, decorated inside and out, with multi-colored lights and it carries Santa and his reindeer.

Thanks to employee contributions, we have delivered more than 300 food baskets this year.

The train is still scheduled to run several times between now and December 23rd, so if you haven't experienced it, I would encourage you to do so.

Thank you, and that concludes my report.