



Metropolitan Transportation Authority

Meeting of the Metro-North Railroad Committee

January 2013

Members

J. Sedore, Chair

J. Ballan

R. Bickford

J. Blair

N. Brown

F. Ferrer

J. Kay

S. Metzger

C. Moerdler

M. Pally

A. Saul

C. Wortendyke



Metropolitan Transportation Authority

MEETING AGENDA

METRO-NORTH RAILROAD COMMITTEE

January 28, 2013 @ 8:30 a.m.

347 Madison Avenue

Fifth Floor Board Room
New York, NY

AGENDA ITEMS

Page

PUBLIC COMMENTS PERIOD

- | | |
|---|-----|
| 1. Approval of Minutes – December 17, 2012 | 3 |
| 2. Approval of 2013 Work Plan | 9 |
| 3. Information Items | 16 |
| • Grand Central Terminal Centennial Sponsorships | 17 |
| • Grand Central Terminal Centennial Program Update – NO MATERIAL | |
| • Annual Strategic Investments & Planning Studies | 19 |
| • ATM License Agreement | 45 |
| • Procurement of Radio Frequencies - Positive Train Control Project | 47 |
| 4. Action Items - NONE | |
| 5. Procurements | 50 |
| • Non-Competitive | 54 |
| • Competitive | 57 |
| • Ratifications - NONE | |
| 6. President's Report | |
| • Operations | 65 |
| • Safety | 73 |
| • Financial | 76 |
| • Ridership | 98 |
| • Capital Program | 109 |
| 7. MTA Police Report | 114 |

Date of next meeting: **Monday, March 11, 2013 at 8:30 AM**

Minutes of the Regular Meeting
Metro-North Committee
Monday, December 17, 2012

Meeting Held at
347 Madison Avenue
New York, New York 10017

8:30 a.m.

The following members were present:

Hon. Joseph J. Lhota, Chairman and CEO, MTA
Hon. Mitchell H. Pally, Co-Chairman of the Committee
Hon. James L. Sedore, Jr., Co-Chairman of the Committee
Hon. Jonathan A. Ballan
Hon. Robert C. Bickford
Hon. James F. Blair
Hon. Norman Brown
Hon. Ira R. Greenberg
Hon. Susan G. Metzger
Hon. Charles G. Moerdler
Hon. David A. Paterson
Hon. Vincent Tessitore, Jr.
Hon. Carl V. Wortendyke

Not Present:

Hon. Andrew M. Saul, Vice-Chairman, MTA
Hon. Fernando Ferrer
Hon. Jeffrey A. Kay

Also Present:

Howard R. Permut – President, Metro-North Railroad
Raymond Burney – Sr. Vice President, Administration, Metro-North Railroad
Michael R. Coan – Chief, MTA Police Department
Seth J. Cummins – Vice President and General Counsel, Metro-North Railroad
Anne Kirsch – Chief Safety and Security Officer, Metro-North Railroad
Robert Lieblong – Senior Vice President, Operations, Metro-North Railroad
Robert C. MacLagger – Vice President, Planning, Metro-North Railroad
Timothy McCarthy – Senior Director, Capital Programs, Metro-North Railroad
Kim Porcelain – Vice President - Finance and Information Systems, Metro-North Railroad

The members met jointly as the Metro-North Committee and the Long Island Committee. Co-Chairman Sedore called the meeting to order. The Committee observed a moment of silence for the victims in Newtown Connecticut whose lives were ended too soon and for the first responders whose lives will be forever changed.

There were four public speakers.

Orrin Getz of Rockland County complimented Metro-North for fully restoring east of Hudson service. He stated that full service restoration on the Pascack Valley and Pt. Jervis lines will not take place until February 2013, which he felt was too long. Mr. Getz noted that a large number of New Jersey Transit railcars and locomotives were damaged during Hurricane Sandy, including some that are used for Metro-North service, and asked Metro-North and Long Island Rail Road to assist New Jersey Transit in the repair of damaged equipment; he also suggested that the Comet cars be provided to New Jersey Transit for west of Hudson service.

George Haikalos of The Institute for Rational Urban Mobility asked MTA to look at fire safety issues in the event of an emergency evacuation from an East Side Access deep cavern station. He stated that MTA should review the benefits, risks and costs of having the service come into Grand Central Terminal rather than the proposed deep cavern station.

Murray Bodin of Concerned Grandparents expressed his opinion that the MTA needs to change the way it conducts business. He presented Co-Chairman Pally with a Concerned Grandparents membership card.

William Henderson of PCAC commented on a Long Island Rail Road matter. The details of Mr. Henderson's comments are contained in the minutes of the Long Island Rail Road held this day.

Upon motion duly made and seconded, the Committee approved the minutes of the regular meeting of November 26, 2012. Co-Chairman Sedore stated that there were no changes to the 2012 work plan.

MTA METRO-NORTH RAILROAD

President Permut announced the retirement in January of Daniel O'Connell, Deputy Director, Operations Planning & Analysis after thirty-three years of service. He noted a number of Mr. O'Connell's achievements, including implementation of the first ever automated interactive voice response information system for train schedules and fares, the industry's first automated public address system using computers and digitized speech. His work with the New York State Department of Transportation and numerous local and regional transit agencies on the connecting services program provided many commuters with access to Metro-North. Mr. O'Connell managed the startup of the Hudson Rail Link bus service at Riverdale and Spuyten Duyvil stations. He created the Haverstraw-Ossining Ferry service and, later, the Newburgh-Beacon Ferry service. Mr. O'Connell was presented with a plaque in commemoration of his service.

President Permut reported that Metro-North has reached an agreement with the New York State Department of Transportation to extend funding for the Hudson River ferries through 2014 following which Metro-North will seek a permanent funding source and conduct an RFP solicitation for a new ferry operator. New York Waterway currently operates the service with an on-time performance of approximately 99%. President Permut reported that a

new dock is being constructed in Haverstraw and Metro-North is seeking funding to rebuild docks damaged as a result of Hurricane Sandy.

President Permut reported that a 5% fare increase will go into effect on January 1, 2013 for riders using Connecticut stations on the New Haven Line. The increase is the second of three annual increases that have been approved in Connecticut.

President Permut reported that the overall on-time performance of 95.7% in November 2012 was good in light of three major events that occurred – a nor'easter, switching problems and a single very bad 'slip slide' day. If these events had not occurred, overall on-time performance would have been 97.7%. Overall consist compliance in November 2012 was almost 100%.

President Permut reported that employee injuries through October 2012 were approximately 10% lower than the comparable period of 2011; customer injuries were approximately 20% lower. The preliminary financial impacts of Hurricane Sandy reflect a reduction in passenger revenue and an increase in emergency coverage and repair costs. However, October year-to-date operating expenses were favorable to the mid-year forecast. The October year-to-date adjusted fare box operating ratio of 70% was 2.9% better than the mid-year forecast.

President Permut gave the ridership report, noting that ridership was adversely impacted by Hurricane Sandy. Total system ridership in the month of November 2012 was 8.9% lower than the comparable period of 2011. Had the storm not occurred, system ridership would have been approximately 2.2% higher than November 2011. Year-to-date November 2012 system ridership was 1.1% higher than in the comparable period of 2011, rail commutation ridership was 0.2% lower and rail non-commutation ridership was 3.1% higher. Adjusting for the impact of Hurricane Sandy, year-to-date rail ridership would have increased 3.2%. The off-peak and weekend service improvements that were implemented in November have produced positive ridership results; a report on ridership results will be given in the first quarter of 2013.

President Permut reported that Metro-North achieved two ridership records during the 2012 Thanksgiving weekend. On the Wednesday before Thanksgiving, 96,000 people traveled out of Grand Central Terminal from noon to 8 p.m.; 3% higher than in 2011 and the highest ridership in Metro-North's history. On Thanksgiving Day 2012, Metro-North carried almost 83,000 customers; on Thanksgiving Day 2011, it carried 81,100 riders.

President Permut noted the Grand Central Holiday Fair located in Vanderbilt Hall and The New York Transit Museum's 11th Annual Holiday Train Show are currently taking place. He urged all to attend these events.

As a follow-up to William Henderson's comments, Board Member Blair asked what efforts the MTA and Metro-North have made to intercede with New Jersey Transit on behalf of west of Hudson riders. President Permut noted that he communicated with New Jersey Transit before, during and after Hurricane Sandy and has offered to assist New Jersey Transit. He noted that Metro-North has worked and is working closely with New Jersey Transit to provide the best service possible. However, New Jersey Transit was heavily impacted by the

hurricane and incurred major storm damage to its equipment and right-of-way. New Jersey Transit has indicated that it will not have a full fleet until January or February 2013.

MTA LONG ISLAND RAIL ROAD

President Williams discussed, among other things, East Side Access. With respect to the East Side Access project, and a Board member question as to why the alignment of East Side Access required tunneling through bedrock that could have been lessened had the plans called for direct entry into Grand Central Terminal, President Permut noted that an Environmental Impact Statement and study was conducted which revealed that if Long Island Rail Road trains came into the lower level of Grand Central Terminal, it would decrease Metro-North's capacity and could affect Park Avenue and all the buildings along Park Avenue. Board Member Moerdler thanked MTA Capital Construction President Michael Horodniceanu for addressing the risks associated with East Side Access. He stated that he is delighted to hear that President Williams and President Permut looked at aligning the tracks properly and that he looks forward to the opening of four new stations in the Bronx, New York. The details of comments made by President Williams and Board Members are contained in the minutes of the Long Island Rail Road held this day.

MTA POLICE DEPARTMENT

Chief Coan reported that, system wide, total major felonies were 39% lower in November 2012 than in the comparable period of 2011. Year-to-date November 2012, system wide, total major felonies were 9% lower than in the comparable period of 2011, robberies were 27% lower and felony assaults were 17% lower. The details of the MTA Police Department Report are contained in a report filed with the records of this meeting.

MTA Metro-North Railroad Information Items

There were three information items.

- 2013 Proposed Committee Work Plan -- President Permut noted that the work plan was coordinated with the Long Island Rail Road.
- Elevator and Escalator Service Report -- 3rd Quarter 2012 -- President Permut reported that the elevators are working well at outlying stations. However, Metro-North is not satisfied with escalator performance in Grand Central Terminal. Metro-North conducted a full assessment of the escalators in Grand Central Terminal in the summer of 2012. In the fall of 2012, Metro-North terminated its contract with the escalator maintenance contractor, hired a new contractor that works with Long Island Rail Road and has laid out a series of major elevator repairs. Metro-North is also leading a joint RFP with the Long Island Rail Road for a new maintenance contractor. Metro-North is currently rebuilding the escalators near the Grand Central Terminal Market, will begin repairs on the escalators near the Transit Museum during the first quarter of 2013 and will then rebuilt the northeast escalators. Metro-North plans to replace all Grand Central Terminal escalators in the coming years.

- Diversity/EEO Report 3rd Quarter 2012 – President Permut reported that Metro-North is utilizing a more aggressive outreach plan that accurately reflects the population.

The details of the above items are contained in materials filed with the records of this meeting.

Metro-North Action Items:

There were two action items.

- 2013 Budget and 2013-2016 Financial Plan Adoption.
- Public Hearing for April Hudson Line Service Changes. President Permut reported that any service change that increases or decreases service by 25% requires holding a public hearing. The proposed hearings are required because major improvements on the Hudson Line will result in a service increase of more than 25% at Irvington, Riverdale and Spuyten Duyvil and a service increase of more than 25% on the Hudson Rail Link feeder bus routes.

Upon motion duly made and seconded, all action items were approved for recommendation to the Board. Details of the above items are set forth in the staff summaries and other materials filed with the records of this meeting.

Long Island Rail Road Information Items

The details of the Long Island Rail Road information items and Board Members comments, if any, are contained in the minutes of the Long Island Rail Road held this day.

Long Island Rail Road Action Item:

Upon motion duly made and seconded, the Committee approved a Long Island Rail Road action item for recommendation to the Board. The details of the above item are set forth in the minutes of the Long Island Rail Road held this day and the staff summaries and other materials filed with the records of this meeting.

Procurements:

MTA Metro-North Railroad

There was one Metro-North procurement on the agenda, a non-competitive, negotiated, miscellaneous procurement contract with Railware, Inc. to upgrade the present Railware Track Driver Professional Alarm System Software Module. The alarm system captures all mission-critical and safety sensitive alarms that the Metro-North Centralized Traffic Control system generates and is responsible for notifying the Rail Traffic Controllers when alarm events occur.

Long Island Railroad

The Committee voted on Long Island Rail Road procurements the details of which are set forth in the minutes of the Long Island Rail Road held this day and the staff summaries and other materials filed with the records of this meeting.

Metro-North Reports on: Operations, Safety, Financial, Ridership and the Capital Program

The details of the Operations, Safety, Financial, Ridership and Capital Program reports are contained in reports filed with the records of the meeting.

Adjournment

Upon motion duly made and seconded, the Committee unanimously voted to adjourn the meeting.

Respectfully submitted,



Linda Montanino
Assistant Secretary

Dec 2012 Comm Minutes
Legal/Corporate/Committee Minutes



2013 Metro-North Railroad Committee Work Plan

I. <u>RECURRING AGENDA ITEMS</u>	<u>Responsibility</u>
Approval of Minutes	Committee Chair & Members
2013 Committee Work Plan	Committee Chair & Members
Information Items (if any)	
Action Items (if any)	
Procurements	
President's Report	President/Senior Staff
Operations	
Safety	
Financial	
Ridership	
Capital Program	
MTA Police Report	MTA Police
II. <u>SPECIFIC AGENDA ITEMS</u>	<u>Responsibility</u>
<u>January 2013</u>	
Approval of 2013 Committee Work Plan	Committee Chair & Members
Annual Strategic Investments & Planning Studies	Capital Planning
<u>March 2013</u>	
Adopted Budget/Financial Plan 2013	Finance
2012 Annual Operating Results	Operations
Elevator & Escalator Service Report-4 th Quarter 2012	Operations
Diversity/EEO Report – 4 th Quarter 2012	Diversity/EEO Office
2013 Spring/Summer Schedule Change	Operations Planning & Analysis
<u>April 2013 (Joint Meeting with LIRR)</u>	
Final Review of 2012 Operating Budget Results	Finance
Annual Inventory Report	Procurement
2012 Annual Ridership Report	Operations Planning & Analysis
<u>June 2013</u>	
RCM Fleet Maintenance	Operations
Diversity/EEO Report – 1 st Quarter 2013	Diversity/EEO Office
Elevator & Escalator Service Report-1 st Quarter 2013	Operations
<u>July 2013</u>	
Environmental Audit	Environmental Compliance
Grand Central Terminal Retail Development	MTA Real Estate

September 2013

2013 Final Mid-Year Forecast	Finance
2014 Preliminary Operating Budget	Finance
2013 Fall Schedule Change	Operations Planning & Analysis
Diversity/EEO Report – 2 nd Quarter 2013	Diversity/EEO Office
Elevator & Escalator Service Report-2 nd Quarter 2013	Operations

November 2013(Joint Meeting with LIRR)

2014 Preliminary Budget (Public Comment)	Finance
Annual Committee Charter Review	Committee Chair & Members
Holiday Schedule	Operations Planning & Analysis
Positive Train Control	President

December 2013

2014 Final Proposed Budget	Finance
2014 Proposed Committee Work Plan	Committee Chair & Members
Diversity/EEO Report – 3 rd Quarter 2013	Diversity/EEO Office
Elevator & Escalator Service Report-3 rd Quarter 2013	Operations

METRO-NORTH RAIL ROAD COMMITTEE WORK PLAN

DETAILED SUMMARY

I. RECURRING AGENDA ITEMS

Approval of Minutes

The Committee Chair will request a motion to approve the minutes of the prior month's meeting.

2013 Work Plan

The Work Plan will list, by month, the topics scheduled for review. The Committee will be advised if any changes have been made to the plan.

Operations

A monthly report will be provided highlighting key operating and performance statistics and indicators.

Safety

A monthly report will be provided highlighting key safety performance statistics and indicators.

Financial

A monthly report will be provided that compares the Railroad's actual financial performance against its budget and/or forecast both on an accrual and cash basis.

Ridership

A monthly report will be provided that includes a comparison of actual monthly ticket sales, ridership and revenues with the budget and prior year results.

Capital Program Progress Report

A monthly report will be provided highlighting significant capital program accomplishments in the month reported.

Police Activity Report

MTA Police will highlight the significant police activities incurred during the month reported.

Information Items (if any)

Materials presented to the Committee for review pertaining to certain agency initiatives and functions.

Action Items (if any)

Staff summary documents presented to the Board for approval of items affecting business standards and practices.

Procurements

List of procurement action items requiring Board approval. The Non-Competitive items will be first, followed by the Competitive items and then the Ratifications. The list will include items that need a 2/3 vote of the Board for approval.

II. SPECIFIC AGENDA ITEMS

Detailed Summary

JANUARY 2013

The Committee Chairman will approve the Proposed Metro-North Railroad Committee Work Plan for 2013 that will address initiatives to be reported throughout the year.

Annual Strategic Investments & Planning Studies

A comprehensive annual report will be provided to the Committee of the Agency's strategic investments & planning studies that will include fleet, facility, infrastructure, station projects, station access improvements, and environmental and feasibility studies.

MARCH 2013

Adopted Budget/Financial Plan 2012-2015

A presentation will be provided to the Committee of a revised Agency 2012-2015 Financial Plan. This plan will reflect the 2013 Adopted Budget and an updated Financial Plan for 2012-2015 reflecting the out-year impact of any changes incorporated into the 2013 Adopted Budget. The documents will also include a monthly allocation of planned expenditures for 2013 by category.

2012 Operating Results

A review of the prior year's performance of railroad service will be provided to the Committee.

Elevator & Escalator Service Report – 4th Quarter 2012

Quarterly report will be provided to the Committee on system-wide reliability and availability for elevators and escalators throughout the system.

Diversity & EEO Report– 4th Quarter 2012

Quarterly report to the Committee providing data on key EEO and Human Resources indicators relating to MNR's Equal Employment Opportunity and Diversity efforts, such as composition of the agency's workforce, new hires, and discrimination complaints. In alternating quarters, the report will include additional information specifically on the efforts the agency has undertaken to address the underutilization of minorities and women.

2013 Spring/Summer Schedule Change

The Committee will be informed of the schedule changes taking effect for train service on the Hudson, Harlem, New Haven, Pascack and Port Jervis lines during the spring and summer of 2013.

APRIL 2013(Joint Meeting with LIRR)
Final Review of 2012 Operating Budget Results

The customary review of prior year's Agency budget results and their implications for current and future budget performance will be presented to the Committee.

Annual Inventory Report

A report will be provided to the Committee on the Agency's inventory activity during the prior year.

2012 Annual Ridership Report

A report will be presented to the Committee on Agency ridership trends during 2012 based on monthly ticket sales data and the results of train ridership counts conducted by the Agency.

JUNE 2013

RCM Fleet Maintenance

An annual report will be provided to the Committee on the Agency's fleet maintenance plan to address fleet reliability and availability.

Diversity & EEO Report – 1st Quarter 2013

Quarterly report to the Committee providing data on key EEO and Human Resources indicators relating to MNR's Equal Employment Opportunity and Diversity efforts, such as composition of the agency's workforce, new hires, and discrimination complaints. In alternating quarters, the report will include additional information specifically on the efforts the agency has undertaken to address the underutilization of minorities and women.

Elevator & Escalator Service Report– 1st Quarter 2013

Quarterly report will be provided to the Committee on system-wide reliability and availability for elevators and escalators throughout the system.

JULY 2013

Environmental Audit

The Committee will be briefed on the results of the Agency's 2012 environmental audit report which is submitted to NYS Department of Environmental Conservation as required by the Environmental Audit Act, as well as the actions implemented to enhance overall compliance, monitoring and reporting.

Grand Central Terminal Retail Development

MTA Real Estate will provide an annual report on leasing and construction opportunities and financial and marketing information related to retail development in Grand Central Terminal.

SEPTEMBER 2013

2013 Final Mid-Year Forecast

Agency will provide the Committee with the 2013 Mid-Year Forecast financial information for revenue and expense by month.

2014 Preliminary Operating Budget

Agency will present highlights of the 2014 Preliminary Operating Budget to the Committee. Public comment will be accepted on the 2014 Preliminary Operating Budget.

2013 Fall Schedule Change

The Committee will be informed of the schedule changes taking effect for train service on the Hudson, Harlem, New Haven, Pascack and Port Jervis lines for the Fall of 2013.

Diversity & EEO Report - 2nd Quarter 2013

Quarterly report to the Committee providing data on key EEO and Human Resources indicators relating to MNR's Equal Employment Opportunity and Diversity efforts, such as composition of the agency's workforce, new hires, and discrimination complaints. In alternating quarters, the report will include additional information specifically on the efforts the agency has undertaken to address the underutilization of minorities and women.

Elevator & Escalator Service Report- 2nd Quarter 2013

Quarterly report will be provided to the Committee on system-wide reliability and availability for elevators and escalators throughout the system.

NOVEMBER 2013(Joint Meeting with LIRR)

2014 Preliminary Operating Budget

Public comment will be accepted on the Agency's 2014 Preliminary Operating Budget.

Annual Committee Charter Review

The Committee will review and assess the adequacy of the Committee Charter.

Holiday Schedule

The Committee will be informed of Agency's service plans for the Thanksgiving and Christmas/New Year's holiday periods.

Positive Train Control

A brief presentation on Positive Train Control (PTC) will be provided to the committee. The status of PTC, including activities to date and the current strategy to meet critical milestones identified in the Rail Safety Improvement Act of 2008 will be discussed. Highlights to include cost of PTC along with operational and implementation risks.

DECEMBER 2012

2014 Final Proposed Operating Budget

The Committee will recommend action to the MTA Board on the Final Proposed Operating Budget for 2014.

Proposed 2014 Committee Work Plan

The Committee Chair will present a draft Metro-North Railroad Committee Work Plan for 2014 that will address initiatives to be reported throughout the year.

Diversity & EEO Report - 3rd Quarter 2012

Quarterly report to the Committee providing data on key EEO and Human Resources indicators relating to MNR's Equal Employment Opportunity and Diversity efforts, such as composition of the agency's workforce, new hires, and discrimination complaints. In alternating quarters, the report will include additional information specifically on the efforts the agency has undertaken to address the underutilization of minorities and women.

Elevator & Escalator Service Report- 3rd Quarter 2012

Quarterly report will be provided to the Committee on system-wide reliability and availability for elevators and escalators throughout the system.



Metro-North Railroad

Information Items

January 2013

Memorandum



Metro-North Railroad

Date: January 9, 2013
To: MTA Metro-North and Long Island Committee
From: Howard Permut
Re: GCT Centennial Sponsorships

Based on the January 9, 2012 Grand Central Terminal Centennial memo and the subsequent Committee Briefing, a Centennial Sponsorship Agreement Report is being presented to the MNR Committee by MNR on a monthly basis, in months when sponsorship term sheets/agreements have been finalized. Please see attached.

January 2013 GCT Centennial/Vanderbilt Hall Sponsorship Term Sheet/Agreements

Term Sheet/ Agreement	Description	Total Compensation to MNR Amount/Barter*
Target	Metro-North to provide: <ul style="list-style-type: none"> - Designation as a "Presenting sponsor of 100th Birthday Public Celebration" - Use of Vanderbilt Hall, waived room fee: seven (7) days, and may be a public or private event.** Event branding, two social media posts and one e-blast. - Use of an area of a MNR station or parking area for a maximum of ten (10) Target surprise events with MNR approval** - Use of one of the Vanderbilt Hall Bridge alcoves for a pop-up store up to twenty eight (28) days.** Event branding and two Inside Track e-newsletters promoting the pop-up store - Ten (10) tickets to various Centennial events - Target will receive the right to place one (1) executive on the Centennial Committee 	\$450K Cash
Columbia University Business School	Metro-North to provide: <ul style="list-style-type: none"> - Designation as a "Supporting Centennial Partner" and University/Education category exclusivity - Brand/signage/social media/web recognition and right to use Centennial logo - Use of half of Vanderbilt Hall, waived room fee: Two (2) days, and may be a public or private event.** - Four (4) tickets to various Centennial events 	\$50K Cash
The Municipal Art Society New York (MAS)	Metro-North to provide: <ul style="list-style-type: none"> - Designation as a "Official Jubilee Centennial Partner for the Event" - Use of Vanderbilt Hall, waived room fee for <ul style="list-style-type: none"> (1) MAS Gala (one day)** (2) MAS has the option to add a day of its own forum programming , with MAS paying associated production costs (3) a Centennial-themed exhibit** on the Future of GCT, number of days TBD/approval by MNR, and exhibit will coincide with NY Transit Museum Gallery exhibit. MAS to provide: <ul style="list-style-type: none"> - Development, training and staffing, at MAS expense, of the new Docent-led Official Guided GCT Tour - The Official Guided GCT Tour will be conducted for three years by MAS with MNR approving content, route, pricing & timing 	30% of gross revenues from the Official Guided (MAS) GCT Tour

* Exclusive of Premier Partnerships commission and all event/sponsorship expenses

** Production and event operations costs will be the responsibility of the sponsor.



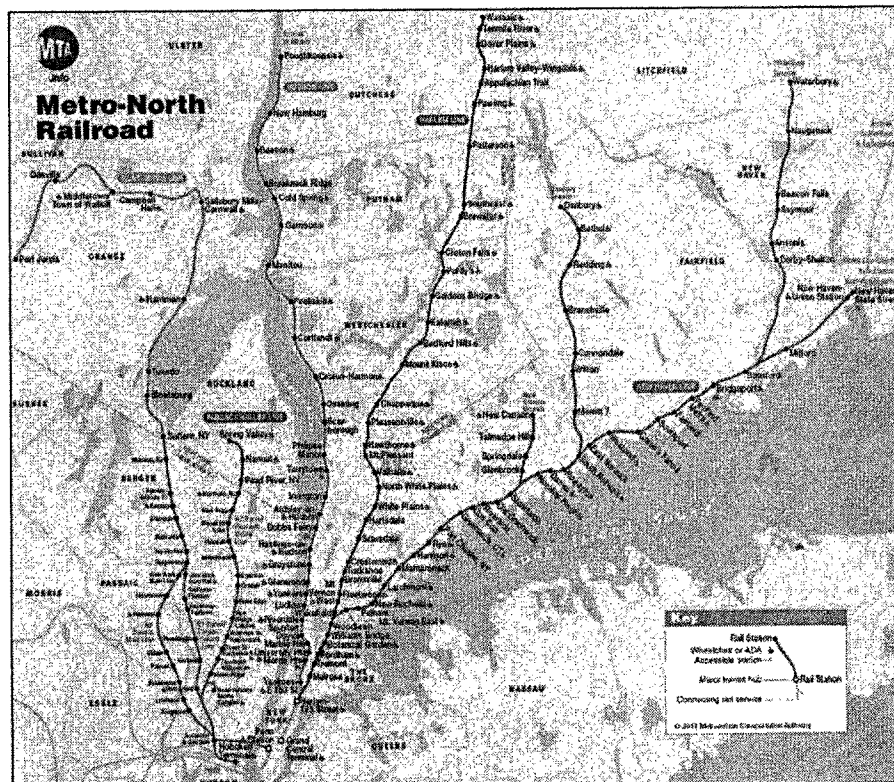
Metro-North Railroad

STRATEGIC INVESTMENTS AND PLANNING STUDIES

STATUS UPDATE

January 2013

METRO-NORTH COMMITTEE



CONTENTS

OVERVIEW

SECTION I Capital Program Projects

SECTION II . Long-range Projects

SECTION III Capital Program- Gates Process

Overview

This report provides an overview of active and recently completed investments in Metro-North's Capital Program and updates strategic investments and planning studies taking place at the railroad.

Significant Metro-North Developments in 2012

Metro-North continues to pursue its strategic initiatives under the umbrella of its Vision 2013 goals. Key goals such as zero injuries, ridership of 100 million customers, OTP of 98% and high customer satisfaction will continue to be a focus as we strive to continue to be a "Brand Name for Excellence".

In October 2102 Metro-North increased service by adding 79 additional trains weekly. These new trains provide increased frequency for the most popular off-peak and weekend time periods as well as faster travel times and improved customer comfort by adding cars on weekend trains that are usually crowded.

In 2012, ridership was 83.2 million rail passengers. This is an increase of 1.5% over 2011 despite the continuing sluggish economy and ridership lost from serious storms such as Hurricane Sandy. Ridership has continued to grow and has now more than doubled since Metro-North's founding in 1983. The railroad carries more customers than any other railroad in the nation.

Metro-North had excellent Consist Compliance of 99.8% in 2012, exceeding the goal of 98.6%. On-Time Performance was 97.6% for 2012 with the goal of 97.8%. These two metrics are key drivers of customer satisfaction. Reflecting these strong performance measures, customer satisfaction in 2012 has matched the previous high in 2010 of 93% of customers who responded as 'satisfied' or better with Metro-North service.

The railroad sustained significant damage as a result of Hurricane Sandy. However, Metro-North was able to re-establish service quickly due to good emergency planning and preparation, a management focus and a dedicated hard-working workforce. Significantly hard hit was our Hudson Line which was impacted from the storm surge in the Hudson River as well as other lines which suffered wind and tree damage. Fifty percent (50%) of the Hudson Line from the Bronx to Croton-Harmon was underwater from the storm surge.

As part of a Plan Amendment submitted to the MTA Capital Review Board in December 2012, Metro-North has identified \$188 million of needs for projects to restore the system to pre-Sandy condition. Metro-North has also identified over \$800 million for potential mitigation projects. Funding for these mitigation needs has not been identified.

In 2013, Metro-North looks to build on past success as the company will celebrate its 30th Anniversary and the Centennial of Grand Central Terminal (GCT).

The railroad will continue to implement cost reduction/revenue enhancement strategies such as improving inventory management, reduce overtime, and continue GCT retail initiatives to increase non-passenger revenue. Metro-North will continue to improve customer service delivery, improve customer communications, maintain service quality and reliability of our rolling stock and infrastructure, improve employee programs and work practices and enhance the GCT Experience. These efforts will be supported by our Operating Budget and the 2010-2014 Capital Program.

SECTION I

CAPITAL PROGRAM PROJECTS

2010-2014 Capital Program Savings/Efficiencies

- As part of an overall MTA \$2 billion dollar Capital Program funding shortfall, Metro-North was required to reduce its 2010-2014 Capital Program by nearly 10%,
 - This was challenging as significant funds were already committed for M-8s and allocated to the federally mandated Positive Train Control project
 - Metro-North historically implements projects in cost effective way through alternatives evaluation, condition based component replacement, coordinating track outages etc.
- To achieve reductions, Metro-North reviewed all projects and identified project efficiencies and savings through:
 - Modified Rolling Stock strategies
 - Improved work productivity with a focus on track infrastructure at specific locations
 - balancing greater operational risk vs. cost reductions while minimizing customer service impacts
 - Utilizing in house personnel vs. 3rd party consultants (Construction Management)
 - Project phasing
 - Contracting Procurement opportunities
 - Administrative actions
 - Utilizing project contingencies
- For example, efficiencies (actual savings) achieved in 2011/2012 for track productivity improvements include \$1.8 million (24% savings) for track segments/turnout installations where work windows could be extended
 - Additional savings are anticipated in 2013/2014 as we continue analysis.

1. ROLLING STOCK

Metro-North commits a significant amount of funding towards the revitalization of its fleet, purchasing new equipment and remanufacturing select cars, coaches and locomotives. As a result of these initiatives the condition of the fleet has improved significantly and the fleet size has expanded to meet ridership growth and increased service levels. As of mid-November, Metro-North has a fleet of 172 M-2s; 140 M-3s; 54 M-4s; 48 M-6s; 336 M-7s and 172 M-8s. Metro-North also has 213 coaches (104 end door and 109 center door). Metro-North uses 31 Genesis, 12 Brookville and 10 switcher locomotives.

Completed:

138 M-3 Cars Performance Improvement Program (PIP) (\$27.8 M)

In-house program was completed in 1Q 2012.

- Program included work on mechanical systems (e.g. propulsion and brakes), the car interior (e.g. windows, seats, floors) and a modification to the door system for improved functionality in order to increase reliability and improve the customer environment.
- The current 12-month (December 2011 to November 2012) M-3 MDBF is 552,637 miles, an 800% improvement over the 2002-2006 average of 58,700 miles before the PIP began.

West of Hudson Locomotives (\$13.6 M)

- Overhaul of eight 3,000-horsepower F40 locomotives.
- Overhaul included:
 - Rebuilt main engines, main and auxiliary generators
 - Replacement of the 1,800 gallon fuel tanks with 2,500 gallon tanks to allow the Metro-North fleet the ability to run two Port Jervis round trips between refuelings.
 - New power generator sets to provide on-board lights, heat and air conditioning.
- Modifications will make the locomotives "greener" by reducing exhaust emissions.
- Contract was awarded to Progress Rail, Inc. in August 2009
 - Eighth and final locomotive was accepted in November of 2012

Ongoing:

Overhaul 31 Genesis Dual-Mode Locomotives* (\$43.1 M)

24 Genesis Locomotives have been overhauled and returned to service as of December 31, 2012. The scheduled completion for the project is the end of 2014.

- Year-to-date MDBF through November 2012 for the overhauled locomotives is 35,302, which is over its designed reliability goal of 25,000 miles

M-9 Specification Development (\$2.8 M)

Metro-North is considering the replacement of its 138 car M-3 fleet with funding in the 2015-2019 Capital Program. This will be done with M-9 cars in pairs and single cars (as an option on an M-9 joint procurement with the LIRR) or as a separate procurement(s) for multi-level coaches with dual-mode locomotives. Metro-North will get option pricing on the M-9 contract. We will also seek market pricing through separate RFPs for the coaches and one for locomotives and make a determination as to which fleet type has the best value.

- Building on the success of M-7 cars, each section of the M-9 Scope of Work was reviewed by technical teams comprised of LIRR and MNR and their consultant Louis T. Klauder (LTK).
- Also, the specification incorporates improvements found on MNR's M-8 cars and focused on modifications to improve: reliability and maintainability, sustainability, use of green technology, security and our customers' riding experience.

Purchase of 405 M-8 cars for New Haven Line Service* (\$320.5 M)

The purchase of M-8 cars will significantly improve performance. The procurement will enable retirement of the entire M-2, M-4 and M-6 fleets and provide capacity for projected growth including extension of direct inter Connecticut service to Shoreline East and future service into Penn Station.

- 380 cars to be delivered in pairs through 2014; 25 single unpowered cars in lieu of rebuilding M-4/M-6s for delivery in 2014
 - As of late December 2012, 180 cars have been delivered, and 164 are accepted and in service
- The first 38 cars were built in Japan; the remaining 342 paired cars are being built in Lincoln, Nebraska
 - The delivery rate will increase gradually to an average of at least 12 cars per month in 2013
 - The first single car will be built in Japan, and the remaining 24 in Lincoln
- On a weekly basis, 52.2% of the Main Line New Haven trains are now covered by M-8's
 - 49.4% of weekday trains and 65.4% of weekend trains are covered by M-8s

The M-8 cars have received overwhelmingly positive customer feedback.

* Projects jointly funded with the Connecticut Department of Transportation (CDOT)

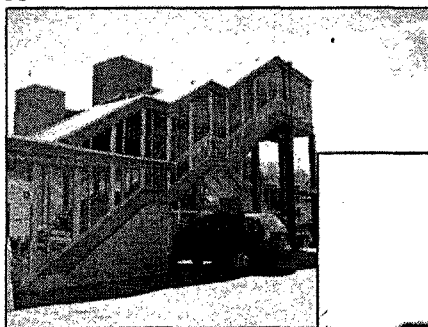
2. STATIONS

Metro-North provides rail service on the Hudson, Harlem, New Haven, Port Jervis and Pascack Valley Lines to 121 stations system-wide (with 85 of those stations in New York State). Maintaining the stations throughout the system is not only vital to preserving safe, convenient access to the system, but it is also important because stations are a gateway to Metro-North.

Investment focuses on component needs including platforms, canopies, staircases, elevators, communications, etc. Investments are prioritized to improve the customer experience as cost-effectively as feasible by addressing the most deficient components based upon asset inspection, condition assessments and structural engineering standards. Investment at these stations will have positive long-term impacts for Metro-North customers maintaining the station environment in a safe condition, reducing the potential from slip, trip and falls from water/ice on the platforms etc.

Station Enhancement Program

The Station Enhancement Program is a new program began on a limited basis in 2010. The program provides a cyclical approach to address all station elements and reduce future ongoing maintenance costs. Work includes painting the



**Station Enhancement
Bedford Hills Station
West Side Staircase**



structures, changing recycling bins (if needed), replacing damaged protective film on windows that prevent scratches from ruining the glass, cleaning the station right-of-way (track), repairing damaged edge boards, replacing concrete benches with more comfortable wire ones, fixing shelter heaters, installing energy-efficient lighting, and power washing all station exterior surfaces, windows and overpasses. Initially, two stations were used as a trial; one small, Southeast, and one large, White Plains. Because of the success of the new approach, in 2011, the program was expanded and five stations were enhanced - New Hamburg, Beacon, Cold Spring, Garrison and Cortlandt, all on the Hudson Line.

In 2012, the New York stations at Bedford Hills, Katonah, Chappaqua and Mount Kisco were addressed. In addition, lead abatement was completed at the station building at Peekskill, which then was repainted in its historic color scheme. Five stations in Connecticut were also addressed: Wilton; Cannondale; East Norwalk; Rowayton; and Springdale.

Pleasantville, Hawthorne, Valhalla, North White Plains and Crestwood will be included in the program for 2013.

Harlem Line

Ongoing / Future:

- **Fordham: (\$13.0 M)**
 - This project will increase safety and enhance pedestrian conditions on and access to the northbound platform, including widening of the existing platform as well as the staircase from the station building to the platform using property acquired from Fordham University. In addition to widening the platform, improvements will be made to both the northbound and southbound platforms including rehabilitation of stairs, new lighting, public address system, signage, tactile warning surface, information monitors and passenger amenities. This project is funded in part by a Federal Jobs/Access Reverse Commute Grant (JARC). Design is ongoing. Construction is expected to commence in the summer, 2013.
- **North White Plains: (\$41.0 M)**
 - The Federal Transit Administration (FTA) has completed its review of the Environmental Assessment for Parking Garage Project issuing a Finding of No Significant Impact (FONSI) on June 30, 2011. Metro-North awarded the 30% preliminary design for the design-build of a 500-space parking garage to Gannett Fleming and that was completed in the 3rd quarter of 2012. This new structure will provide a net of approximately 400

new parking spaces at North White Plains. The design-build was advertised and proposals received in November 2012. The selection process shall continue with an anticipated award of the design-build in April 2013. An RFP for a third party construction management consultant was advertised. Proposals were reviewed and award is anticipated this month.

▪ **Harlem Line Stations Project (\$28.9 M)**

- This project begins a phased renewal of station components on the Harlem Line. This project will address those elements of stations that have outlived their expected useful life and shown deterioration that must be addressed and are critical for Metro-North improved customer service.
- Design and Construction
 - **Williams Bridge, Woodlawn, Botanical Gardens**
 - Rehabilitate existing concrete platform and canopy structure
 - Extend canopies as appropriate
 - Rehabilitate stairways and ramps
 - Improve lighting
 - Repair and/or add new platform shelters
 - Paint
- Design Only Portion (Construction will be funded in the 2015-2019 Capital Program)
 - **Mt. Vernon West, Wakefield, Fleetwood, Tuckahoe, Bronxville**
 - Rehabilitate existing concrete platforms
 - Canopy and gap fill/extensions
 - Rehabilitate overpass staircases
 - Repair existing canopies

Hudson Line

Completed:

- **Poughkeepsie Station Building: (\$18.6 M) (ARRA Funded)**
 - Replacement of the monumental windows and other windows within the station
 - Roof/truss structural repairs
 - Repointing work
 - Door installation in main waiting room
 - The repair and refurbishment of wood and stone finishes in the main waiting area and construction of new expanded bathrooms (Mentoring Program)
 - Pavilion Walkway repairs are ongoing and approaching substantial completion
- **Tarrytown Station: (\$36.0 M) (ARRA Funded)**
 - The project included replacement or reconstruction of station elements including new platforms, overpass replacement, new stairways and elevators, canopy replacement and other station amenities such as shelters and benches
- **Cortlandt: (\$34.0 M)**
 - Construction of the 720-space parking expansion and station improvements was completed in February 2012. The project included improvements to the Route 9A intersection, and a new station building with a customer waiting area, new concession, bathroom, new heated shelter on the platform and intermodal area

Ongoing / Future:

- **Croton-Harmon and Peekskill Stations: (\$15.0 M)**
 - Construction of overpass, platform and canopy repairs and expansion began in October 2010. Project is on time and anticipated to be complete by January 2013
 - At Croton-Harmon: Platform C demolition completed. Work underway includes: Extension of the canopies with the installation of formwork for new canopy footings at the northern end of Platform C and excavation and installation of formwork for new canopy footings at the southern end of platform. In addition, Metro-North will make improvements to the HVAC system in the main waiting area of the station. Design will be completed by mid-2013 with construction commencing later in the year.
 - At Peekskill, the following is complete: Platform reconstruction for the southern half of inbound platform edge repair (west edge and east edge) and placing concrete for inbound platform twenty foot extension. Work

underway includes: Platform reconstruction for the inbound platform edge repair, northern half (east edge) and saw cutting and chopping of spall repair areas at underside of platforms and bent areas

New Haven Line (NYS Portion)

Ongoing/Future

- **Mount Vernon East, Pelham, Larchmont, Mamaroneck and Harrison**
 - The purpose of this project is to rehabilitate critical deteriorated station elements at Mount Vernon East, Pelham, Larchmont, Mamaroneck and Harrison including platform superstructure, overpass/underpass, canopies, stairs, ramps, benches and platform amenities. Rehabilitation work at Larchmont and Mamaroneck is being funded in part by a Federal Jobs/ Access Reverse Commute Grant (JARC)

Station Net Leasing Program

Ongoing / Future:

As part of the brokerage service program with Royal Properties (awarded in December, 2010) an RFP for leasing the building or space therein was issued July 10, 2011. Responses continued to be reviewed by MTA Real Estate and Metro-North.

- **Port Chester** lease negotiations are at an advanced stage and preliminary plans are under review. SHPO review is underway. As part of the lessees' work, Metro-North will reimburse the lessee for roof and drainage related repairs.
- **Peekskill** RFP was issued and responses are due by mid-January 2013
- **Tarrytown** Offers received are being reviewed
- **Poughkeepsie** lease is under negotiation and a new tenant that will take responsibility for the concession and old restaurant area is expected in early 2013
- **Crestwood, Bedford Hills and Rye** station buildings continued to be marketed by Metro-North's broker

3. CUSTOMER COMMUNICATIONS IMPROVEMENTS

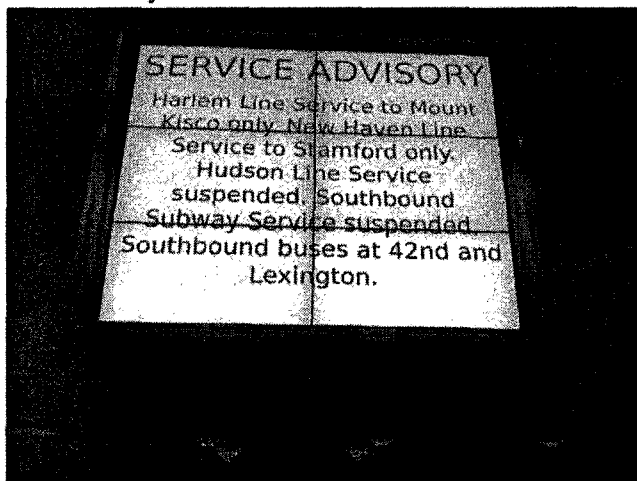
Metro-North continues to focus on improving its ability to communicate timely information to our customers during normal operations and disruptions. There are a number of initiatives underway that will improve the reliability of the delivery of information to our customers, expand the information we can provide and expand the platforms upon which we can deliver information.

Metro-North established a "model station" program to provide "real-time" information to our customers. Our initial pilot was at White Plains and has been expanded to Harlem-125th Street, Yankees-153rd Street, Fordham and Larchmont. At each of these stations we utilize platform LED signage (originally installed for ADA) to inform our customers about the next three departures (with track assignment), status of the next train (On-time, Arrived and stops on arriving train). In addition, we provide information on strategically placed LCD screens that provide information on the next twelve trains. This model has been a great success and received positive feedback from our customers.

We are undertaking a business case to determine if we should expand this model to all of our stations in New York and Connecticut. This business case will be completed this year at which time we can move into expansion to other stations as guided by the business case. Funding to expand our customer communications capabilities is included in the 2010-2014 Capital Program.

However, while this business case is ongoing we are pursuing a series of initiatives:

- A new Passenger Station Public Address (PA) Central Control located at GCT and a back-up Passenger Station PA Control Center located in White Plains is scheduled to be installed in the 4th quarter of 2013. This installation will replace an obsolete and unreliable system currently housed in GCT. The cost of this initiative is \$2.2M.
- Real time LCD monitors using a cellular feed have been installed at Tarrytown, North White Plains and New Rochelle. These monitors provide status on the next nine (9) trains to our customers. This pilot is currently being evaluated and we expect to expand it to other stations by 4th quarter 2013.
- Enhanced customer information was implemented in Croton-Harmon and Poughkeepsie in 2012. Metro-North and CDOT are working together to make substantial improvements at Stamford.
- On the newly installed Dioramas in GCT Metro-North's Customer Service Department has used the four signs to display service information and customer messaging in the instance of major disruptions, most recently with Hurricane Sandy.



Metro-North installed nine (9) SAID (Station Advisory Information Displays) monitors in GCT. This was done in conjunction with NYC Transit. Additional monitors will be placed at Harlem-125th St and Yankees - East 153rd St. stations by the 1st quarter 2013. These monitors will provide customers with real time service information for subways. The information that will be provided is similar to the service status on the MTA website

An interactive kiosk was installed in GCT in December 2011. This kiosk will provide customers real time information. Other functionality available on the kiosk is the GCT departure board, point to point schedule

and fare information, dining and entertainment in and around GCT, MTA territory maps and key destinations. This is an all agency 6 month pilot program. This pilot is currently being considered for expansion to additional subway stations and MNR and LIRR suburban stations.

- We are working with NYC Transit to install information monitors displaying Metro-North train information at select subway stations. This program is being developed in 2013 with a 2014 expected implementation.

Metro-North also provides web and text alerts with real-time information from Train Time (a Metro-North-designed system) via computer or Smart Phones. Information includes train departure times, along with destination, track assignment and real-time status for the next 12 trains at a station. Information is also available through CooCoo. Metro-

North utilizes alternatives expanding access to provide real time service information about disruptions including Twitter and Facebook.

Metro-North continues to enhance the way we communicate with our customers through the Customer Communications Center. The facility manages the preparation and distribution of all real-time customer communications including PA operations, electronic station signage, Train Time, email notifications, social media and service status notification. The CCC gives Metro-North the ability to provide accurate, timely and consistent information to all customers regardless of the final delivery source (email, social media, web, etc.). Metro-North is also improving on a continual basis the provision of real-time information to our customers.

4. STRATEGIC INTERMODAL PASSENGER FACILITIES AND TRANSIT ORIENTED DEVELOPMENT (TOD) AND BUSINESS DEVELOPMENT

Ongoing/Future:

These initiatives encompass strategic transportation hub development with the objective of significantly expanding parking and improving station access throughout the Metro-North territory. Program work includes major station improvements such as new and/or expanded station facilities, new intermodal facilities to provide for connections with taxis, bus, ferries, and major interchange access improvements from interstate highways/ major roadways.

To achieve long-term goals, Metro-North is leading plans for integrated station plans with mixed uses -- such as housing, retail, and office -- in a sustainable, station-centered program called Transit Oriented Development (TOD).

Key projects below are contingent on multi-party funding requirements and availability, environmental approvals, community support and phased implementations which are necessary to advance selected projects.

Harrison TOD:

- Metro-North issued its first suburban station RFP in July 2011. Responses were received in October 2011 and AvalonBay Communities Inc. has been selected as the preferred developer.
 - Avalon Bay proposed a mixed use development with expanded parking, residential apartments and commercial space consistent with the RFP.
- An exclusivity agreement was executed with AvalonBay in December 2012. The Developer is currently developing the proposed concept into a project plan to the point where it can be memorialized into a joint development agreement for approval by the MTA Board and Town/Village of Harrison.

Poughkeepsie TOD:

- A joint effort with Dutchess County (under auspices of the County Executive's office), Metro-North and the City of Poughkeepsie is being advanced.
 - Conceptual planning and alternatives analysis will be done in 2013 coordinating with information derived from past studies.
- Responses to a new RFP for restaurant and retail use at the Station building received strong interest. Metro-North's goal is to have a new tenant in the building in 2013.

Mount Vernon East TOD:

- Metro-North's Mount Vernon East Station area is targeted for transit oriented development through a partnership between Metro-North and the City of Mount Vernon.
- An MOU has been drafted that formalizes the joint predevelopment efforts with the City and is expected to be signed shortly.
- The next step is to undertake a TOD concept plan. Toward this goal, Metro-North sent a support letter in favor of the City of Mount Vernon's application for a \$354K Brownfield Opportunity Area (BOA) grant from the New York State Department of State for a concept plan.

Parking Operations

Completed:

- Parking Operator: Metro-North's parking operator, LAZ Parking, currently manages 14,460 parking spaces in 34 parking facilities owned by Metro-North.
- Enforcement of permit parking areas now performed by license plate recognition readers at all stations
- Customers can purchase, renew and modify parking permits via the LAZ Parking (RRparking.com) web site. In addition, an option to pay online is in effect at all LAZ operated stations. 98% of all permit customers currently manage their permits online.
- Payment capability via cell/telephone was implemented at all 34 stations operated by LAZ Parking.
- Currently 175 customers per day pay for daily parking via their cell or telephones.
- Garrison parking surface restoration to improve drainage and make drive lanes more resilient to weather impacts was completed. Work was performed by LAZ Parking.

Parking Project Status – Connecticut

(CDOT Funded and Managed)

Ongoing / Future:

- **Bridgeport:** Expansion of the Harbor Yard Garage in Bridgeport resulting in 500 net new spaces, with a post project station inventory of 1,400, is complete and in service as of April 2012.
- **Stratford:** Town is currently designing an additional 125 space parking lot on eastbound, track 4 side of station – design completion anticipated February 2013.
- **West Haven:** Station being constructed with approximately 660 surface spaces. Construction began in October 2010 and the anticipated construction completion date is mid-year 2013.
- **New Haven:** The environmental documents and preliminary designs for 3 concepts for a new garage at Union Station are complete and under consideration. Revised project plan is to build a 670 - 800 space structure on the west end of the station. Continuing to look at combination parking expansion and development opportunities on the east side of the station.
 - Surface parking with approximately 600 spaces at the site of the former New Haven Coliseum is still available to the public. CDOT continues to operate shuttle service to Union Station serving this lot and the Temple Street garage.

ADVERTISING/NEW PRODUCTS

On-Going/Future:

Grand Central Terminal:

Broadband WiFi/Digital:

- An RFP was issued to provide Broadband Wi-Fi and digital screens on MNR and LIRR trains and stations. Proposals were reviewed by and negotiations are underway with lead proposers. A draft term sheet is under review.

Visual Information System (VIS) Sponsorship/Replacement Project

- MNR released a Request for Expressions of Interest (RFEI) in September 2012 for proposals for a new Visual Information System (VIS) to replace the current system in Grand Central Terminal. MNR has received nine (9) proposals, which are currently under review. It is expected that the RFEI will elicit information from qualified firms to assist MNR in completing an RFP for the project and to determine the level of outside sponsorship that could help MNR offset part of the capital costs.

Advertising Licensee:

Metro-North is working with its advertising licensee, CBS Outdoor, to advance new revenue-generating initiatives.

- The Dioramas located on the Main Concourse of GCT have been converted from static ad displays to digital screens. The advertising revenues for the GCT digital dioramas in 2012 are almost double over the static dioramas generated in 2011.
- The screens also have MNR emergency over-ride capabilities, providing another method of communications to customers during emergencies. In addition MNR is exploring conversion of phone banks in GCT to back lit/digital screens.
- Overall total Metro-North advertising revenues in 2012 are approximately 23.6% more than in 2011; the overall increase was mostly driven by the GCT dioramas increase.

GCT Market Place and JLL Graybar Passageway Redevelopment

- The feasibility of converting above the GCT Market Place into a new restaurant space is being evaluated. Pending the results of this evaluation, an RFP may be issued in 2013. This would provide new revenue to MNR.
- In addition the redevelopment of the Graybar Passageway is being studied. This would include retail enhancements and possibly expanded space for a select retail store that could be marketed at higher rent.
- Repurposing Vanderbilt Hall: The Vanderbilt Hall Café RFP was issued in 2012. The identification of a restaurant with a unique design is now under final review. An award is expected late 1st Qtr. 2013, with an opening by 1st Qtr. 2014.

Centennial Legacy Project

- Planning continues for a coordinated program of Centennial events to mark GCT's milestone, telling the story of Grand Central's evolution as a transportation and commercial center and its seminal role in the history of the nation, region, city, and American railroading.
- In conjunction with NYCDOT the Park Ave Viaduct was painted in GCT "green" to match the existing 42nd Street storefronts. In addition, new identification signage will be added to the lower faux steel web identifying Grand Central and Pershing Square Plaza. Bronze pin mounted v-cut letters will be added on both the west and east side facades. Linear LED lighting will also be added. The existing retail awnings along 42nd Street and Vanderbilt Avenue will be replaced with similar frames and canvas awnings.

Grand Central Terminal Tours

- In preparation for GCT's Centennial a first-ever "official" tour program partnership is being planned with the Municipal Arts Society. Program is structured to that it can and will continue beyond the Centennial - through 2015

Beverage/Snack Branded Vending Machine Program:

- Metro-North launched a system-wide program that provides a customer amenity and new revenues for the Railroad at passenger stations and employee locations. The deal calls for Answer Vending to pay the Railroad at approximately \$3 million over 10 years. The deal also includes branding/sponsorship revenue from Coca-Cola and MARS/M&M's.

- As of December 2012, 49 passenger stations, 5 locations in GCT North and 10 employee facilities have beverage and/or snack vending machines, and the roll-out will continue throughout 2013 and beyond.

MNR Taxi RFP

- An RFP to add Taxi Services at approximately ten (10) MNR Stations will soon be issued.

Cellular Service in GCT and Park Avenue Tunnel

- Design is underway for new cellular service in Grand Central and the Park Avenue Tunnel through a consortium of the four major cellular carriers. At no cost to MNR, the carriers are constructing cellular service and provide MNR a new backbone network for its communications, which will also support emergency radios for MTA PD and the FDNY. The project is expected to commence construction in early 2013 and be completed in approximately 24 months.

5. SHOPS AND YARDS INVESTMENTS

Harmon Shop and Yard Rehabilitation

Metro-North, as part of the significant reconstruction and modernization of the Croton-Harmon Shop completed the construction of Coach and Locomotive Shops in 2009 complementing previous improvements to yards and servicing facilities. These initial shops and yard investments have enabled Metro-North to better maintain and improve performance of our rolling stock fleet. Availability has increased and operating budget savings have been recognized. Priority repairs to the Harmon Main Shop are scheduled for completion in the 2nd quarter of 2013.

- **Consist Maintenance Facility (\$290.0 M)** Procurement for preliminary design and pre-demolition work for the Consist Track Facility (Stage 1 of the replacement of the Harmon Main Shop) is underway. Design-Build of the Consist Maintenance Facility is also funded in the 2010-2014 Capital Program. Preliminary design of Stage 2 of the project (running repair and support functions) will be conducted concurrent with Stage 1 construction

New Haven Line (funded and managed by CDOT)

▪ New Haven Rail Yard

The total program cost of the Tier 1 New Haven rail yard Facilities Improvement program is \$706.8 M, of which \$418.8 M is currently funded. Projects include:

- Renovations to the existing Electrical Multiple Unit (EMU) and the Critical System Replacement (CSR) Shops are complete. These renovations were needed to meet the current State building code, improve the working environment in the shops and offices, enhance safety, and extend the life of the buildings (**\$7.4 M**).
- The Component Change Out Shop (CCO) project is under construction and completion is anticipated in the 1st Quarter 2014. The new facility will provide the main shop and office complex for the New Haven Rail Yard. This work is ongoing with the design for the Central Distribution Warehouse, which will be built adjacent to and concurrently with the CCO (**\$220.7 M**).
- A revised New Haven Rail Yard Master Plan effort is underway (Tiers 2 & 3) for a 2013 Build Out and long-term plan. Projects will include a 2-track 10-car consist maintenance facility (Service and Inspection Shop) for the M-8 fleet.

- **East Bridgeport Yard** Construction is complete. Total car spots were increased from 63 to 83; this includes space for the storage of 56 units of electric equipment. (**\$48.8 M**)

Brewster Roof Replacement (\$2.8 M)

- This project includes repair and replacement of the roof of the Brewster Main Shop (Building #7). Various skylights will be installed as well to incorporate natural light into the shop environment reducing illumination requirements. This project was awarded for construction in December 2011.

Port Jervis Yard Expansion (\$8.0 M)

- Design of this project is complete.
 - A decision to proceed with this project is linked to ongoing planning for a new midpoint yard.

6. MAINTENANCE OF WAY INVESTMENTS

Ongoing:

Signal, Communications, Power and Track and Structures Improvements

Signal System Replacement (\$37.1 M)

New Haven Line:*

- Replacement of outmoded outlying signal system on the New Haven Line is underway.
 - The pre-wired signal house contract was awarded and commenced in August 2009. Contract to install signal cable from Woodlawn to Riverside, Connecticut has been awarded and should be completed by Fourth Quarter 2013.
 - CDOT has identified additional funding for design of system on the New Haven Line in Connecticut.

Upper Hudson:

- Design of new high-capacity signal system, signal and communication cable and required track work from Croton-Harmon to Poughkeepsie based on the Hudson Line Joint User's Study was completed in the 2nd Quarter 2009.
 - Funding is required to implement.

Positive Train Control (PTC) * (\$ 228.0 M)

PTC is a system designed to prevent train-to-train collisions, overspeed derailments, incursions into established work zones, and the movement of a train through a switch left in the wrong position. This unfunded federal mandate is required to be complete by December 31, 2015.

- Metro-North and LIRR have an extensive installation of signal systems that provide a high level of safety and reliability unrecognized by the legislation requiring PTC.
- Funding of \$187.1 million has been set aside in the 2010-2014 Capital Program.
 - Metro-North has acquired a portion of the radio spectrum needed for Manhattan, Bronx, Westchester, Putnam and Rockland Counties; radio spectrum still needed for Dutchess, Orange, Fairfield and New Haven Counties.
 - Metro-North and LIRR are in proposal stages to hire a System Integrator to supply an ACSES II PTC System. Proposals are due January 2013 with an expected award by the end of the first quarter of 2013. Work is proceeding with the LIRR on Phase 1 and Phase 2 of ACSES II Interface Test Track segments to investigate products for interoperability.
- The deadline of 2015 is extremely challenging particularly with this complex project. A number of risks with regard to the SI Procurement and the project, as well as limitations on the Railroads' forces ability to do the installations in a timely manner may well significantly increase the estimated project cost and cause project delay.
- Metro-North, LIRR and other railroads continue to discuss these issues in Washington, seeking funding and recognition that the deadline should be reset until a successful pilot proving the technology is completed.

West of Hudson Signal Improvements (\$57.0 M)

This project includes installation of a new Cab Signal system replacing the existing older signal system for the Port Jervis Line between Suffern, NY (MP 31.3) and Sparrowbush, NY (MP 89.9). This initiative will enhance the level of safety on the line, provide for more reliable service and provide additional capacity. Third party contracts have been awarded and work will begin in the 4th Quarter 2012.

* Projects jointly funded with the Connecticut Department of Transportation (CDOT)

Harlem and Hudson Power Improvements (\$58.0 M)

This project includes various improvements to the DC traction power supply system on the Hudson and Harlem lines required to operate 10 car M-7 trains on the Upper Harlem Line, to improve reliability and add capacity to the traction power systems to accommodate increasing loads, to improve acceleration to maintain train schedules, and to add redundancy/reliability in the Park Avenue Tunnel.

- Design of the 86th and 110th Street substation completed with construction award 1st quarter of 2013. Property surveys and real estate acquisition is underway at Claremont Parkway in the Bronx.
- Design work and necessary real estate acquisition has been completed at seven of the ten locations proposed for the Harlem Line outside of New York City. Real estate acquisition is underway at the other three sites.
- . Ann implementation plan will be refined for construction of the 86th and 110th Streets Substation sites as well as a new substation at Brewster. In addition, a program to upgrade existing DC Substations with larger circuit breakers and new protection & control systems begun under previous capital program at 15 sites. To date 13 sites have been completed. This will continue at an additional 18 sites. Contract documents for the second phase were awarded in December 2011 and construction is anticipated to start in mid-2012.

New Haven Line Traction Power Improvements (New York State) (\$32.8 M)

The Traction Power supply station at Mt Vernon NY (Bridge 23) will be replaced with a new facility for improved reliability and additional capacity. New York Power Authority is implementing this project as a turnkey design-build. Work is ongoing with major equipment fabrication with completion in the 3rd Quarter 2014.

Structures Improvements

Harlem Line Capacity Improvements (\$29.9 M)

Metro-North completed a capacity study of the Bronx segment of the railroad. Based on that study, Metro-North is proceeding with the construction a new interlocking located between Fordham and Botanical Garden Stations (CP 109) to improve capacity and reliability in this key segment of the railroad. Purchase of materials is ongoing; construction is underway and will be completed in 2014.

Undergrade Bridge Program: (\$36.5 M)

- The superstructure replacement of Bridge HU 32.81-Track 4 is anticipated to commence in 2013. The work will involve the installation of new superstructure steel, bearings and concrete pedestals carrying Track 4.
- Painting of select undergrade bridges located on the Hudson, Harlem and the New Haven Lines commenced in 2012

Otisville Tunnel Renewal (\$3.7 M)

- The mile long Otisville Tunnel will undergo rock scaling, power washing and steel fiber reinforced shotcrete will be installed in a portion of the tunnel. Additionally, strip drains and PVC rock drains will be installed to enable water to drain freely from the rock.
- This work will commence in the spring of 2013.

Overhead Bridge Program East of Hudson (\$19.5M)

- The Bridge Street Bridge, located at MP HU 65.18 of the Hudson Line will be replaced in its entirety beginning in the spring of 2013.

Park Avenue Tunnel Rehabilitation and Priority Repairs in the Grand Central Terminal Train Shed (\$5.0 M)

- The rehabilitation of the tunnel and train shed was awarded in July 2012 with a period of performance of eighteen months. Work will include masonry and steel repairs within the tunnel and priority steel repairs at three locations within the train shed.

New Haven Line Improvements (Connecticut)

Danbury Line Signalization CTC Project (funded and managed by CDOT) (\$67.2 M)

- CDOT and Metro-North are proceeding to signalize the entire branch with Traffic Control System (TCS) and cab signals. Key elements of this project include installing new signal enclosures and equipment at several locations, constructing two signal power substations and plowing in cable. Construction began in May 2010 and will be completed as follows:
 - Phase 1 (Norwalk to Wilton) has been completed.
 - Phase 2 (Wilton to Branchville) is expected to be completed Spring 2013.
 - Phase 3 (Branchville to Bethel) is expected to be completed July 2013.
 - Phase 4 (Bethel to Danbury) is expected to be completed in the 4th Quarter 2013.

New Haven Line Traction Power Investments (Connecticut)

(Funded and managed by CDOT, except where noted)

Catenary Replacement (\$390.3 M, CDOT Funded)

This project is critical to the future of the New Haven Line to ensure reliability and avoid problems experienced during the heat of this summer (sagging wire, stranded trains). Underway since 1991, the Catenary Replacement project will result in the full replacement of the original catenary first erected in 1907. The information below shows the status of catenary replacement in New York (100%) and Connecticut as of December 31, 2012:

Main Line Catenary Miles on the NHL (Note 1)	New York	44 miles
	Connecticut	<u>172</u>
	Total	216 miles
Main Line Catenary Miles Replaced	New York	44 miles (100%)
	Connecticut	<u>108 (63%)</u>
	Total	152 miles (70%)
Catenary Miles Out of Service (Whole Line)	New York	0 miles
	Connecticut	<u>14 (6%)</u>
	Total	14 mi. (6%)
Catenary Miles to be Done	New York	0 miles
	Connecticut	<u>50 (23%)</u>
	Total	50 mi. (23%)

Note 1: Excludes yards, sidings and New Canaan main track.

Metro-North and CDOT are working to expedite the remaining catenary work. The following work remains:

- Ongoing:
 - Phase A – Catenary C1B (CP248-CP255). Working to accelerate estimated completion in mid-2014. This includes three consecutive long term two track outages.
 - Catenary Section C1A (CP41-CP248) and Catenary Section C2 (CP256-CP261) This work will be combined as one contract utilizing single track outages. Estimated completion date of October 2015.

Supply Substation 1086:

- Work by United Illuminating Company (UI) to construct interconnect facilities at the site including high voltage cables, disconnects, circuit breakers and a control house was completed in November 2011.
- CDOT contractor will install step down transformers, circuit breakers, control house, harmonic filter system and associated structures and cables, etc.
- Current projected in service date is 2nd Quarter 2013.

Other Power Improvements:

- Metro-North is working with CDOT to replace all four transformers at the Cos Cob Supply yard with new units. The existing equipment is 40 years old, the replacement will also allow for the removal of ancillary transformers and open bus located in an adjoining switching yard. Presently the project is in construction with all work expected to be completed by the fourth Quarter of 2013

West of Hudson Track and Structures Improvements

Port Jervis Line (\$14.3 M)

- Additional repairs to the Moodna Viaduct were awarded on February 25, 2011 and work was declared substantially complete on May 31, 2012, three months early.
- Repairs to the Woodbury Viaduct will also be undertaken during the 2010-2014 Capital Program. Plans and specifications were advertised in October 2012 with bids due in November.

Metro-North Mentoring Program

The MTA and its operating agencies, as part of a statewide initiative, are currently participating in a Mentoring Program that seeks to assist small businesses to develop tools, experience and credit-worthiness to succeed in bidding for and being awarded and completing larger public works projects in the future.

In the first year of the Mentoring Program (July 15, 2010 – July 14, 2011), Metro-North had a goal of \$1.0M of projects to be awarded to Small Businesses. At the end of the period two projects were awarded for a total of \$1.30M. The following completed projects were included:

- Port Jervis Station Improvements- Phase I (**\$0.7 M**)
- Poughkeepsie Station Rehabilitation - Commuter Facility Improvements (**\$0.6 M**)

In the second year of the program, three additional projects at a combined total of approximately \$2.1 million were added. The projects are:

- Park Avenue Tunnel Renewal: Emergency exit repairs at 59th and 86th Streets (**\$0.2 M**). This project was awarded in December 2011 and all work was declared substantially complete in September 2012.
- New Haven Line Stations project: Mamaroneck and Harrison - Remove and replace existing platform guard rails (**\$0.9 M**)
- New Haven Line Stations project: Mt Vernon East, Pelham, and New Rochelle - Remove and replace existing platform guard rails (\$1.0M)

8. SERVICE and ACCESS IMPROVEMENTS AND CONNECTING SERVICES

Metro-North will be expanding service throughout the East-of-Hudson system during 2013.

In April 2013:

- **Hudson Line** Service Investments will include improvements that will add several new weekday, Saturday, and Sunday Hudson Line trains for a total of approximately 70 new trains each week.
 - Restructure off-peak and weekend service pattern similar to Harlem/New Haven lines
 - Additional stops on semi-express trains (current recommendation are Irvington, Riverdale & Spuyten Duyvil stations)
 - Splitting most remaining Poughkeepsie trains so that most off-peak/weekend Upper Hudson trains will run express from Croton-Harmon to Grand Central, thereby saving customers an average of 12 minutes travel time
 - A new early AM weekday departure from GCT that will provide customers a Poughkeepsie arrival time of about 8 am
 - Alter the schedules that will permit connections at Croton-Harmon between upper Hudson trains and lower Hudson all-stops locals

Hudson Rail Link:

Provide half-hourly off-peak Hudson Rail Link bus service at Spuyten Duyvil and Riverdale to meet all new Hudson line trains

Harlem Line:

- Weekday mid-day off-peak half-hourly service between Southeast and GCT
- Sunday half-hourly service between North White Plains and GCT.

New Haven Line:

- Sunday half-hourly local service between Stamford and GCT
- Stamford to GCT all-stops local to improve intermediate travel options during the peaks
- Weekday mid-day off-peak half-hourly service between New Haven and GCT.

Later in 2013, Metro-North will:

Hudson Line:

- Improved express service on the line from Croton-Harmon to Poughkeepsie and Ossining and Tarrytown

Harlem Line:

- Expand weekend half-hourly service between Southeast and GCT

New Haven Line:

- Increase weekday mid-day off-peak half-hourly service between New Haven and GCT.
- Weekend half-hourly service between New Haven and GCT to complete the weekend half-hourly service initiatives on the east end.
- Expand off-peak/weekend Danbury Branch shuttle service following completion of the CTC project to take advantage of the new signal system.

Highlights of the access improvements and connecting services program are detailed below.

New York State Bronx County

Current: The Hudson Rail Link (HRL) for calendar year 2012 (through November) averaged 1,407 daily rides, a decrease of 1.8% compared to 2011.

Metro-North placed two new buses in service in August.

Future: For 2013, Metro-North plans to purchase two more new buses as part of a cyclical replacement program. Plans call for the purchase of two new buses each year through 2016.

Metro-North will continue to monitor HRL service and make any necessary adjustments to accommodate ridership demand.

Westchester County

Current: WCDOT bus/Metro-North rail coordination continues to provide station access and egress for both regular feeder services for commuters working in the city, and on distributor services getting workers to suburban employment sites. Regular Bee Line buses and feeder services provide approximately 4500 rides to Metro-North stations, while 741 daily rides are provided on six distributor services (WCDOT Shuttles) serving White Plains station. This ridership level is consistent with 2011 figures. Metro-North continues to coordinate with WCDOT on service-related issues and emergency situations that may arise requiring rail/bus coordination.

Putnam County

Current: Ridership on the Mahopac - Croton Falls Shuttle through November 2012 was 45 daily rides, an increase of 28.6% versus 2011. Metro-North will work with NYSDOT to promote the use of the new Park & Ride facility on Rt. 6 in Mahopac.

Dutchess County

Current: Dutchess County LOOP service provides access to Beacon, New Hamburg and Poughkeepsie stations. Through August 2012, ridership for the three stations averaged 85 daily rides, a 4.5% decrease from 2011. Additionally, Metro-North is working with Dutchess County to promote their new Route 'G' circulator, which serves Beacon station and the surrounding community and launched November 24, 2012.

The Ulster – Poughkeepsie LINK shuttle, offering access to Poughkeepsie station from Ulster County, operates seven days a week, except major holidays. Three strategically-located Park & Ride lots are in Rosendale, New Paltz and 9W/Highland. In 2012 total weekday ridership continued to increase; through November, average weekday ridership is 199 rides, up 9.9% from 2011. Average weekend ridership is 59 rides, which is down 11.9% from 2011. These numbers represent total LINK ridership; approximately 35% of these customers transfer to Metro-North at Poughkeepsie.

Future: Metro-North will work with Dutchess County, Ulster County and NYSDOT to monitor and promote these services to increase ridership.

Rockland County

Current: The Tappan Zee Express (TZX) service averaged 896 weekday rides through October 2012 (Metro-North share, only) a 4.9% decrease compared to 2011. Saturday TZX ridership averaged 258, a 3.0% decrease over 2011.

The Haverstraw-Ossining Ferry averaged 494 daily rides through November 2012, a 9.3% increase from 2011.

Funding: The ferry service is fully funded through a mix of federal monies provided by the State (NYSDOT) and MNR federally-allocated monies of approximately \$7M. Metro-North and NYSDOT have finalized a two-year funding plan to keep the ferry service operating through December 2014.

Future: The Haverstraw ferry dock, in service for over 11 years, is past its useful life and showing signs of deterioration. A project to reconstruct the dock was initiated in the late summer; final conceptual design has been approved and environmental reviews are underway. Construction on the new Haverstraw dock facility should commence in late spring 2013. This construction will be funded by federal Ferryboat discretionary monies, provided through NYSDOT.

In addition, the Haverstraw parking lot sustained considerable damage during Hurricane Sandy, which is currently under evaluation. To address the funding needs for these repairs, MNR is currently seeking funding through various sources, including FEMA, Emergency Relief FHWA, and Ferryboat Discretionary Grants.

Metro-North will work with WCDOT and Rockland County during construction of the new Tappan Zee Bridge in the event that adjustments of or enhancements to the ferry service are required.

Orange County

Current: Through November 2012, the Newburgh-Beacon Ferry averaged 322 daily rides, an increase of 5.2% over 2011.

Funding: Metro-North and NYSDOT have finalized a two-year funding plan to keep the ferry service operating through December 2014.

The Newburgh-Beacon Shuttle provides station access between Orange County and Beacon station serving Stewart Airport and Route 17K Park & Ride in Newburgh. Weekday shuttle ridership averaged 161 through November 2012, a 13.9% decrease compared to 2011.

Connecticut

Current: Through November 2012, the average daily ridership on the three Harlem Line shuttles operated by HARTransit has held steady since 2011: Ridgefield-Katonah: 216; New Fairfield-Southeast: 57; and Danbury-Brewster: 346.

Metro-North has been working with HARTransit to address overcrowding on some runs on the Ridgefield-Katonah shuttle. Schedule and routing adjustments have been made to accommodate the use of a bigger bus to serve certain trips. Metro-North and HARTransit will continue to monitor this situation and make adjustments as needed.

Future: Metro-North continues to work with NYSDOT and HARTransit to promote the connecting bus service from New Fairfield to the Southeast Station. Further, Metro-North will continue to work with HARTransit, NYSDOT and CDOT to expand the parking availability on the Ridgefield-Katonah service in Ridgefield, CT and South Salem, NY, where the lots are currently at capacity.

SECTION II

LONG-RANGE PROJECTS

This section of the document updates the status of the September 2011 report on long-range projects being undertaken by Metro-North. These projects will contribute to the expansion of mass transportation service for residents and open opportunities for jobs and services within the region.

Penn Station Access

Background: Metro-North is preparing an Environmental Assessment for the provision of service from the Hudson and New Haven Lines directly to Penn Station New York using existing infrastructure. The routing of this service from the Hudson Line would be via Amtrak's Empire Line and from the New Haven Line via Amtrak's Hell Gate Line. The project would include some infrastructure improvements on these lines within the existing rights of way and the purchase of rolling stock.

This proposal also includes the construction of new intermediate stations within the existing rail rights of way in areas of New York City that are not currently served by regional rail service. These stations would be located along Amtrak's Empire Line in the vicinity of West 125th Street and the Upper West Side of Manhattan, and along Amtrak's Hell Gate Line in the vicinity of Co-Op City, Morris Park, Parkchester and Hunts Point in the eastern Bronx. The Morris Park station was recently added to the study in response to recent economic development in the area and strong community support.

Metro-North is also participating in the MTA-managed Penn Station Operations Study. LIRR, Amtrak and New Jersey Transit are also involved in the study. Service plan outputs from this coordinated simulation effort will be used as inputs into Metro-North's environmental review.

Progress to Date: Coordination with the Penn Station operators continues regarding future service plans through the MTA managed Penn Station service plan/simulation study. In the 3rd/4th quarters of 2012 the study team held information meetings in Bronx neighborhoods where new stations are proposed. These meetings were coordinated through the Bronx Borough President's Office and the NYC Department of City Planning.

Next Steps:

- Continue to hold outreach meetings in the Bronx and along the New Haven Line (2013-14)
- Obtain results from MTA Penn Station Operations Study (2013)
- Refine Hell Gate and Empire Line Right-of-Way Improvements Necessary for PSA (2013)
- Publish the Environmental Assessment (2013/2014)

Tappan Zee Bridge Design

Governor Cuomo has established a Mass Transit Task Force to identify short, medium and long term transit solutions for the new Tappan Zee Bridge and the I-287 Corridor in Westchester and Rockland Counties. MTA COO Nuria Fernandez is a member of the Task Force. Metro-North Planning will be providing technical support.

West of Hudson Regional Transit Access Study

Background: The West of Hudson Regional Transit Access Study (WHRTAS) Alternatives Analysis (AA) is evaluating alternatives for improved commuter transit services between Eastern Orange County and Manhattan; and improved transit access to Stewart International Airport (SWF) from the mid-Hudson Valley and New York City.

Metro-North has divided the AA into two phases. Phase 1 involved the screening of a long list of alternatives including commuter rail, express bus, bus rapid transit (BRT), light rail, and ferry services that will potentially serve the needs of both the commuter and airport markets in the study corridor. The result was a short list of alternatives on which more detailed evaluations will be performed during Phase 2 to determine a Locally Preferred Alternative (LPA). Although the project may not be built for many years, preservation of the right-of-way (ROW) from the Salisbury Mills Station on Metro-North's Port Jervis Line to the Airport for future rail use is critical in light of the development that could begin to reoccur in the area. Both Orange County and the affected municipality, the Town of New Windsor, are not only supportive of the BRT or rail extension, but have advised Metro-North and the Port Authority on ways they can help to protect the ROW.

Progress to Date:

MNR continues to work with Town of New Windsor and Orange County Department of Planning to advance efforts for the preservation of the right-of-way between Salisbury Mills Station and Stewart Airport.

The new Federal Transportation Authorization Act (July 6, 2012) will allow MNR to purchase land before completing the federal environmental review process. Although MNR still needs to satisfy SEQR (a simpler process), the new Law would allow the preservation efforts to occur sooner.

Next Steps:

Continue work on Phase 2 alternatives analysis (Expected completion 3rd Quarter 2013) and progress effort to protect ROW, including the development of the Orange County Official Map that will designate the potential transit corridor/alignment.

West of Hudson Improvements Project

Background - As a parallel effort to Phase 2, Metro-North will be studying the West of Hudson Improvements to address the infrastructure needs of the Port Jervis Line. Until the recent economic downturn, ridership on the Port Jervis Line had experienced substantial growth. It is anticipated that this growth will continue in the future. In order to address the expected ridership increases, the following improvements must be addressed: the purchase of additional rolling stock; the construction of a second track between Sloatsburg and Salisbury Mills, additional passing sidings to Port Jervis and related signal, station and parking improvements; and the creation of a new mid-point yard.

The potential benefits would be: the ability to provide additional service on the PJJ, including, zonal, express, and reverse peak; reducing operating costs; and providing more efficient maintenance and operations for both Metro-North and New Jersey Transit.

Progress to Date:

- The project team identified an initial list of 40 sites for a Midpoint Yard between Harriman and Middletown. The 40 sites were screened and those that considered fatally flawed were eliminated. Nine locations in key areas that include Harriman, Salisbury Mills, and Campbell Hall remain for more detailed evaluation and screening.
- In parallel, the Consultant developed a preliminary set of yard facility requirements based upon input from the operating and capital engineering departments and New Jersey Transit.
- Preliminary conceptual drawings of the PJJ second track alignments and station reconfiguration were completed as well as initial conceptual cost estimates.

Next Steps:

- Select one or two optimal yard locations to be evaluated in a succeeding Environmental Review.
- Complete assessment of the required Port Jervis Line infrastructure improvements. (Expected completion – February 2013)

SECTION III
CAPITAL PROGRAM – GATES PROCESS

Launched in the summer of 2010, the MTA's Gates review process is utilized for review and examination of each capital project before that project is approved to be initiated. The review process requires that key analytic criteria be met at various stages or "Gates" in a project's lifecycle, including project initiation, project design, project award, and completion. Various analytic tools are brought to bear, such as review of the project's impact on an agency's operating budget, review of alternatives and their impact on schedule and budget, and for certain large, complex projects, detailed risk assessments.


Gates Status

2010-2014 Metro-North Gates Status						
Project Description			Funding Approved 2010 / 2014 \$M	TYPE (Study / Procurement / Design / Const)	Date Submitted to MTA	MTA Approved Date
Gates Approved Projects						
2010-2014 Capital Program	M602-01-01	GCT Trainshed/Tunnel Structure	8.50	Design	September 2010	September 2010
	M602-01-02	Park Avenue Tunnel	7.50	Construction	September 2011	October 2011
	M602-02-06	New Haven Line Station Phase II	34.50	Construction	March 2011	July 2011
	M603-01-02	Turnouts - Mainline/High-speed	14.70	Construction	February 2011	March 2011
	M603-01-03	GCT Turnouts/Switch Renewal	1.24	Construction	March 2011	March 2011
	M603-01-04	Turnouts - Yards/Sidings	0.80	Construction	March 2011	April 2011
	M603-01-04	Turnouts - Yards/Sidings	2.20	Construction	September 2010	October 2010
	M603-01-05	M o f W Equipment/RS	4.00	Procurement	December 2010	February 2011
	M603-01-07	Rock Slope Remediation	2.00	Design	August 2010	August 2010
	M603-01-09	Rebuild Retaining Walls	1.50	Design	August 2010	September 2010
	M603-01-11	2011 Cyclical Track Program	13.00	Construction	March 2011	April 2011
	M603-02-01	Replace Timbers Undergrade Bridges	1.40	Construction	August 2010	September 2010
	M603-02-02	Rehab Culverts/Railtop Culvert	1.80	Construction	August 2010	September 2010
	M603-02-03	Right of Way Fencing	0.30	Construction	August 2010	August 2010
M603-02-04	Replace DC Substation/Signal House Roofs	0.70	Construction	October 2010	November 2010	

M603-02-05	Bridge Walkways Installation	0.50	Construction	September 2010	September 2010
M603-02-06	Remove Obsolete Facilities	1.00	Construction	September 2010	September 2010
M603-02-07	Specialized Structure Equipment	0.90	Procurement	October 2010	October 2010
M603-02-09	Employee Welfare Facilities	3.00	Construction	April 2011	May 2011
M603-02-10	Replace/Repair Undergrade Bridges Program	7.50	Construction	April 2011	May 2011
M603-02-11	Harlem River Lift Bridge Cable Design	0.70	Design	January 2011	February 2011
M603-02-12	Overhead Bridge Program - E of H (2010)	0.90	Construction	August 2010	August 2010
M603-02-12	Overhead Bridge Program - E of H (2011)	2.00	Construction	June 2011	August 2011
M603-02-13	Catenary Painting	0.50	Design	June 2011	June 2011
M603-03-01	West of Hudson Track Program (2010)	4.15	Construction	July 2010	July 2010
M603-03-01	West of Hudson Track Program (2011)	4.23	Construction	July 2011	July 2011
M603-03-03	Moodna/Woodbury Viaduct	6.50	Construction	August 2010	September 2010
M603-03-05	West of Hudson Replace/Renew Undergrade Bridges	2.40	Construction	October 2010	December 2010
M604-01-02	West of Hudson Signal Improvements	55.4	Procurement / Construction	September 2011	November 2011
M604-01-03	Replace Fiber/Communication & Signals Cables	3.894	Procurement / Construction	August 2012	Agency Path
M604-01-04	Replace Field Code System - Mott Haven	0.169	Design / Procurement /	June 2012	July 2012
M604-01-05	Crossing Upgrades - Phase 2	1.00	Procurement / Construction	September 2010	November 2010
M604-01-06	Centralized Train Control/ SCADA Intrusion Testing	0.732	Study	Pending	Agency Path
M604-01-07	Refurbish/Replace Electrical Switch Machine	0.20	Construction	September 2010	October 2010
M604-01-08	Design/Replace Harlem and Hudson Track Relays	0.715	Study	Pending	Agency Path
M604-01-09	Replace High Cycle Relays (2010)	0.12	Procurement / Construction	September 2010	October 2010
M604-01-09	Replace High Cycle Relays (2011)	0.13	Procurement / Construction	May 2011	June 2011
M604-01-11	PBX Equipment Upgrade	0.800	Procurement / Construction	July 2012	August 2012
M604-01-13	Rolling Stock Radio & PA Equipment(2010-11) includes \$200K transfer from M604-01-10	0.25	Procurement / Construction	July 2011	July 2011
M604-01-14	Radio Base Station Replacement	0.25	Procurement / Construction	August 2010	September 2010
M604-01-14	Radio Base Station Replacement	0.50	Procurement / Construction	May 2011	May 2011
M604-01-16	Radio Frequency Rebanding(2010)	0.51	Procurement / Construction	August 2010	August 2010
M604-01-16	Radio Frequency Rebanding(2011)	1.58	Procurement / Construction	May 2011	May 2011
M605-01-01	Substation Bridge 23 (with 505-01-01)	32.80	Procurement / Design / Construction	June 2010/ Nov 2011	August 2010 /Nov 2011

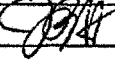
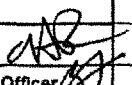

	M605-01-02	Renewal Harlem & Hudson Substations - Procurement/Construction	8.00	Procurement / Construction	September 2010	September 2010
	M605-01-05	Replace Substation Batteries	0.40	Construction	September 2010	October 2010
	M605-01-08	Replace 3rd Rail Sectionalizing Switches	1.30	Construction	September 2010	October 2010
	M605-01-09	Replace 3rd Rail Brackets - Park Avenue Tunnel	6.00	Construction	March 2011	March 2011
	M606-01-01	Harmon Shop Improvements	32.06	Construction (Phase IV) Design (Phase V)	February 2011 June 2012	March 2011 July 2012
	M608-01-01	Systemwide Lead/Asbestos Abatement	1.00	Construction	July 2011	July 2011
	M608-01-02	Environmental Remediation	0.40	---	July 2011	July 2011
	M608-01-06	Program Administration	8.00	---	September 2010	September 2010
	M608-01-06	Program Administration	8.50	---	March 2011	March 2011
	M608-01-07	Program Scope Development (2010)	2.32	---	August 2010	August 2010
	M608-01-07	Program Scope Development (2011)	2.32	---	April 2011	August 2011

Staff Summary

Subject ATM LICENSE AGREEMENT
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name D. MASSARIA ROBERTS / B. GOODWYN

Date JANUARY 28, 2013
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Metro-North Committee	1/28/12		X	
2	Finance Committee	1/28/13	X		
3	Board	1/30/13	X		

Internal Approvals			
Order	Approval	Order	Approval
		1	Legal 
3	Chief of Staff 		
2	Chief Financial Officer 		

AGENCIES: MTA Long Island Rail Road ("LIRR") and MTA Metro-North Railroad ("Metro-North")
 LICENSEE: JPMorgan Chase Bank, N.A. ("Chase")
 LOCATIONS: 35 LIRR stations and 41 Metro-North stations
 ACTIVITY: Licensing of exclusive right to provide automated teller machine ("ATM") machines
 ACTION REQUESTED: Approval of terms
 TERM: 10 years, subject to termination at will by MTA on 60 days' notice
 COMPENSATION:

METRO-NORTH RAILROAD

Year	Compensation	% Increase
1	\$372,034.00	
2	390,635.70	5%
3	409,064.49	5%
4	430,675.97	5%
5	452,209.69	5%
6	474,820.15	5%
7	498,561.15	5%
8	523,469.10	5%
9	549,663.66	5%
10	577,146.82	5%

LONG ISLAND RAIL ROAD

Compensation	% Increase
\$1,036,000.00	
1,087,800.00	5%
1,132,190.00	5%
1,199,299.60	5%
1,259,264.50	5%
1,322,227.65	5%
1,388,339.05	5%
1,457,756.03	5%
1,530,644.82	5%
1,607,176.04	5%

COMMENTS:

Under current agreements, Bank of America operates 31 automated teller machines ("ATMs") in the LIRR system (not including the Bank of America ATMs at Penn Station), and Wells Fargo operates eight ATMs in the Metro-North system (not including ATMs in Grand Central Terminal, which are leased to Chase). In 2012, LIRR received just under \$900,000 in compensation and MNR received just over \$156,000.

In preparation to release a Request for Proposals for the exclusive rights to operate ATMs at stations in each of the LIRR and Metro-North systems (not including Penn Station and Grand Central Terminal), MTA Real Estate worked closely with the railroads to identify additional locations, adding 4 new LIRR locations and 33 new Metro-North locations, which are untested as ATM locations and require significant capital expenditures to ready them for ATMs. In all, the RFP offered

Staff Summary

FINANCE COMMITTEE MEETING

JPMorgan Chase Bank, N.A. (Cont'd.)



Page 2 of 2

exclusive rights to 35 locations in the LIRR system, and to 41 in the Metro-North system. Prospective proposers were invited to bid on the offering for one or both of the railroads. Prior to issuance of the RFP, MTA conducted extensive outreach to banks to inform them of its significance and scope.

Three proposals were received for the LIRR locations and three for the Metro-North locations, as follows:

LIRR: LIRR proposals were received from the following banks, the value of which were calculated to be as follows using a discount rate of 9%: Chase, \$8,071,454.89; Bank of America, \$3,907,249.70; and Welch ATM Systems, \$3,961,500.45.

Bank of America, the incumbent, proposed only to continue to operate its 31 existing ATMs. Welch ATM Systems' proposed to pay transaction-based compensation only (the present value figure cited above is based on its revenue estimates), with no guaranteed compensation.

Metro North: Metro-North proposals were received from the following banks, the value of which were calculated to be as follows using a discount rate of 9%: Chase, \$2,900,420.40; Wells Fargo, \$9,076,344.55; and Welch ATM Systems, \$2,022,216.66.

Wells Fargo, the incumbent, proposed only to operate ATMs at 8 locations. As with its bid for the LIRR system, Welch ATM Systems offered transaction-based compensation based on an estimated number of transactions, with no guaranteed compensation.

Chase submitted comprehensive and thorough technical proposals for both the LIRR and Metro-North opportunities. Of critical importance is that Chase will be responsible for all installation costs. The installation costs include installation of electrical and data service to be done as force account work by each railroad's forces at its respective stations. Metro-North's force account work is estimated to cost \$569,026 for the 33 new Metro-North locations and LIRR's force account work is estimated at \$30,679 for the 4 new LIRR locations. This work will not only enable Chase to install ATMs pursuant to the agreements proposed herein, but will also greatly reduce the complexity and cost of the ATM opportunities when new RFPs are issued at the end of these agreements.

Not only do Chase's proposals provide for a combined net increase in ATM revenue to the railroads of 33%, they also invest very significantly in expanding the ATM networks, particularly for Metro-North. Based on the foregoing, MTA Real Estate requests authorization to enter into license agreements with Chase on the above-described terms.

Staff Summary



Long Island Rail Road

Page 1 of 3

Item Number	2				
Dept & Dept Head Name: Procurement & Logistics, Dennis Mahon					
Department Head Signature & Date <i>[Signature]</i>					
Division & Division Head Name: Chief Engineer, Kevin Tomlinson					
Division Head Signature & Date <i>MGT for KT</i>					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	MNR Committee	01.28.13		X	
2	LIRR Committee	01.28.13	X		
3	MTA Board	01.30.13	X		
Internal Approvals					
Order	Approval	Order	Approval		
1	President <i>[Signature]</i>	4	SVP of Administration <i>[Signature]</i>		
2	Executive Vice President <i>[Signature]</i>	5	VP, Chief Financial Officer <i>[Signature]</i>		
3	SVP, Operations <i>[Signature]</i>	6	VP, Gen'l Counsel & Sec'y <i>[Signature]</i>		

SUMMARY INFORMATION	
Vendor Name	Contract Number
Environmental LLC	TBD
Description	
Procurement of Radio Frequencies in Support of Positive Train Control Project	
Total Amount	
\$2,225,000	
Contract Term (including Options, if any)	
N/A	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type	
<input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type	
<input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source	
<input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

Narrative

I. PURPOSE/RECOMMENDATION:

LIRR, on behalf of itself and Metro-North Railroad (MNR) ("Railroads"), requests, subject to successful completion of negotiations with the vendor and finalization of radio frequency testing, MTA Board approval to award a contract to Environmental LLC ("ENL") in an amount of \$2,225,000 to purchase the FCC license for 150 kHz of Radio Spectrum, comprised of twelve (12) channels, each with a bandwidth of 12.5 kHz. This license is required to support the Railroads' federally mandated Positive Train Control (PTC) Projects in the four counties north and west of New York City (Dutchess and Orange Counties in New York and Fairfield and New Haven Counties in Connecticut) in which Metro-North operates ("Northern Trackage Areas"). This award will supplement the Radio Spectrum license previously acquired by MTA in 2012 to support the Railroads' PTC Projects in all of the LIRR territory and a portion of the MNR territory.

II. DISCUSSION:

On October 16, 2008, Congress passed the Rail Safety Improvement Act of 2008 (the PTC Act) which required, among other things, the development of an implementation plan by April 2010 for the installation of PTC on all commuter railroad Main-Line tracks (as defined in the PTC Act) and full implementation of PTC on main line track segments (except those exempt by regulation) by December 31, 2015. PTC encompasses technologies designed to automatically stop or slow a train before certain incidents occur. In particular, PTC is designed to prevent train-to-train collisions, derailments caused by excessive speed, unauthorized incursions by trains onto sections of track where repairs are being made, and movement of a train through a track switch left in the wrong position. Additionally, temporary speed restrictions are required to be applied for highway-rail grade crossing malfunctions.

The implementation of PTC by the Railroads will require an extensive communications infrastructure to support the transmission of train control based data communications. Critical to these communication needs is sufficient radio spectrum to support the wireless radio needs of both Railroads in all the counties in which they operate. Because system interoperability is required among all railroads using a right of way, the Railroads must utilize a data radio common to the freights and to Amtrak, within a range of frequencies from 217 MHz to 222 MHz (the "Interoperable Range").

Radio spectrum licenses are granted by the Federal Communications Commission ("FCC"). A limited number of licenses exist covering the Railroads' operating areas which are in private hands, and in certain limited areas and in certain spectrum ranges the FCC

Staff Summary



Page 2 of 3

still holds the licenses. Accordingly, there was limited competition for the necessary PTC spectrum. The utilization of the RFP process allowed the Railroads to better assess the vendors that are available to provide the spectrum that the Railroads require for PTC implementation. Additionally, the RFP process allowed the Railroads to negotiate directly with the license holders and evaluate terms other than price, such as technical suitability of the proposed spectrum for the Railroads' operational requirements.

The Railroads advertised the original RFP on January 31, 2011 in the New York State Contract Reporter and on February 10, 2011 in the NY Post. The initial RFP was sent to seven (7) firms and only three (3) proposals were received. On November 16, 2011 the MTA Board approved the acquisition of 500 kHz of spectrum (40 12.5 kHz channels) from Americom Network, Inc. ("Americom") covering all of LIRR's operating territory (New York, Kings, Queens, Nassau and Suffolk) and a portion of MNR's operating territory (New York, Westchester, Putnam, Bronx and Rockland).

On June 22, 2012, the Railroads issued a supplemental RFP soliciting proposals to acquire radio spectrum for the balance of the MNR territory. The Railroads advertised the supplemental RFP on June 22, 2012 in the New York State Contract Reporter and in the NY Post. The RFP was sent to 14 firms and three (3) proposals were received from Cornerstone SMR, Inc., ("Cornerstone"), Maritime Communications/Land Mobile, LLC ("MC/LM") and a joint venture consisting of Intelligent Transportation & Monitoring Wireless LLC, Skybridge Spectrum Foundation and Environmental LLC (collectively "Sky Tel"). The initial submittal deadline for proposals was July 18, 2012. This deadline was extended to July 27, 2012.

The following criteria in descending order of importance were used by the Railroads as a basis for their selection:

- A. Conformity of the offered spectrum licenses with the requirements of the Railroads as stated in this Supplemental RFP, including geographical and technical factors, as well as the total number and configuration of channels offered.
- B. Price and other commercial terms offered by a proposer.
- C. Likelihood that the licenses offered may be transferred to the Railroads expeditiously and without impediment.
- D. Compliance with all the other requirements of the RFP.

The Railroads reviewed the proposals and determined that the Cornerstone proposal was non responsive in that it did not meet the technical requirements of the Supplemental RFP. Although the MC/LM Proposal met some but not all of the technical requirements of the Supplemental RFP, MC/LM was deemed non responsive due to the fact that the MC/LM Licenses are subject to various challenges before the FCC as to their validity, and since any transfer by MC/LM likely would be subject to numerous legal challenges and also require the approval of the Bankruptcy Court. The Selection Committee determined to enter into negotiations directly with Skytel. The Skytel joint venture was determined to be a responsive and a responsible proposer.

It is noted that the Americom license purchase was for spectrum in the 218 – 219 MHz range, sometimes referred to as IVDS (Interactive Video Data Service). The current purchase is for a spectrum license in the 217 – 220 MHz range, sometimes referred to as AMTS (Automated Maritime Telecommunications System).

Skytel offered to transfer FCC license(s) for 150 kHz of spectrum in the Interoperable Range covering the Northern Trackage Areas and certain buffer areas. Skytel's initial proposal price was between two and three times the agreed upon price, however as a result of negotiations they agreed upon \$2.225 million for the sale of certain AMTS B-block channels held by Environmental LLC ("ENL") and from a certain channel swap by ENL and another License owner. As is typical in such transactions, the sale by ENL is conditional on satisfactory interference analysis to ensure that the use of the radio frequencies will not conflict with adjacent site based licensees or co-channel users and FCC approval of the transfer of the license and necessary waivers related to the use of the spectrum to support PTC; however, it is anticipated that the FCC will approve this transfer and the required waivers in the normal course. The transaction will not close, and the purchase price will not be fully paid, until receipt of required FCC approvals (10% of the purchase price will be placed in escrow pending closing of the transaction). The Railroads have solicited an appraisal from a firm with experience in valuing FCC licenses, and this appraisal supports the conclusion that ENL's offered price is fair and reasonable (the agreed upon price is significantly less than the appraised value.) Radio Spectrum is valued at an average price value per megahertz per unit of the total population in the area served by the license being acquired ("MHz/pop"). We note that for the purchase of the 12 AMTS channels (.015 MHz) from ENL for the Northern Trackage Areas, the cost is approximately \$1.59 per MHz/pop. For the purchase of 40 IVDS channels (.500 MHz) from Americom, for the remainder of the Railroads' operating territory, the purchase price of \$7.250 million

Staff Summary



Page 3 of 3

represented a cost of approximately \$0.86 per MHz/ pop. Our evaluation consultant advises that because there has been significantly more activity in the transfer of AMTS-licenses in recent years, that the cost we are paying is at or even below the current market averages for sales of spectrum in that range. The higher price of the AMTS Spectrum is attributable to several factors, including the FCC narrow band policy, which makes the AMTS band attractive to utility, gas and oil companies as a solution to the narrow banding requirements and the fact that the AMTS Spectrum is less congested and more suitable for wide-area communication systems.

It is noted that the Railroads previously filed a request with the FCC for the direct allocation of vacant IVDS radio spectrum in the interoperable range currently held by the FCC in the Northern Trackage Areas and for additional buffer areas needed to prevent PTC system interference from adjoining areas, without having to participate in the customary auction process. In fact, that application has been pending for more than two years, and the FCC has advised all railroads seeking radio spectrum for PTC use that they should look to the private market and not expect any direct allocation from the FCC. Accordingly, at this time we do not expect the FCC to grant the request.

The Railroads are finalizing contract terms with ENL, and performing final radio interference testing to confirm the adequacy of this spectrum for PTC needs. In the event the Railroads determine there are areas of additional coverage needed for PTC purposes after the completion of this purchase, the Railroads may need to acquire small amounts of additional radio spectrum in the Interoperable Range either from the FCC, ENL or others.

III. D/M/WBE INFORMATION:

No Goals were assigned to this contract.

IV. IMPACT ON FUNDING:

This contract will be funded by each agency's Capital Budget, apportioned evenly.

V. ALTERNATIVES:

The Railroads do not possess the necessary spectrum required to implement PTC in the Northern Trackage Areas. Other passenger and freight railroads in the region do not have spectrum sufficient for the Railroads' needs. The PTC Implementation Plans filed by the Railroads in April 2010 and approved by the Federal Railroad Administration assume the acquisition of radio spectrum to support the Railroads' PTC communications infrastructure needs. If the Railroads do not procure spectrum for the Northern Trackage Areas, they will be unable to comply with the federal government's PTC mandate. Completing the spectrum purchase at this time will enable the Railroads to complete the design of radio and system design elements that require identification of the specific range of spectrum to be utilized.



Metro-North Railroad

Procurements January 2013



Metro-North Railroad

Procurements January 2013



Subject	Request for Authorization to Award Various Procurements
Department	Procurement and Material Management
Department Head Name	Anthony J. Bombace Jr.
Department Head Signature	<i>[Signature]</i>
Project Manager Name	

Date	January 9, 2013
Vendor Name	Various
Contract Number	Various
Contract Manager Name	Various
Table of Contents Ref #	

Board Action					
Order	To	Date	Approval	Info	Other
1	MNRComm Mtg	1-28-13	X		
2	MTA Board Mtg	1-30-13	X		

Internal Approvals			
	Approval		Approval
X	President	X	General Counsel
X	Sr. VP Operations	X	Capital Programs
X	Sr. VP Administration	X	VP Planning
X	VP Finance & IT	X	Chief of Staff

Internal Approvals (cont.)							
Order	Approval	Order	Approval	Order	Approval	Order	Approval
	Press		Government Relations		Labor Relations		Other
			Safety		Human Resources		

PURPOSE:

To obtain approval of the Board to award various contracts/contract modifications and purchase orders, and to inform the MTA Metro-North Railroad Committee of these procurement actions.

DISCUSSION:

MNR proposes to award non-competitive procurements in the following categories:

Schedules Requiring Two-Thirds Vote (or more, where noted)

	# of Actions	\$ Amount
Schedule A: Non-Competitive Purchases and Public Work Contracts	1	\$950,000
• Railtech Boutet, Inc. \$950,000		

Schedules Requiring Majority Vote

Schedule J: Modifications to Miscellaneous Procurement Contracts	1	\$250,000
• Harsco Track Technologies \$250,000		

SUB TOTAL: 2 \$1,200,000

**MNR proposes to award competitive procurements in the following categories:**

	<u># of Actions</u>	<u>\$ Amount</u>
<u>Schedules Requiring Two-Thirds Vote (or more, where noted)</u>	NONE	
<u>Schedules Requiring Majority Vote</u>		
Schedule F: Personal Service Contracts	2	\$5,839,512
• WSP Sells \$839,512		
• Railroad Planning Consulting Services \$5,000,000		
Schedule G: Miscellaneous Service Contracts	2	\$237,000
• East Coast Railroad Services \$75,000		
• LifeCare Inc. \$162,000		
SUB TOTAL:	4	\$6,076,512

MNR presents the following procurement actions for Ratification:

<u>Schedules Requiring Two-Thirds Vote (or more, where noted)</u>		
Schedule D: Ratification of Completed Procurement Actions	NONE	
<u>Schedules Requiring Majority Vote</u>		
Schedule K: Ratification of Completed Procurement Actions	NONE	
SUB TOTAL:		
TOTAL:	6	\$7,276,512

The contractors noted above and on the following Staff Summary Sheets have been found in all respects responsive and responsible, and are in compliance with State laws and regulations concerning procurements.

BUDGET IMPACT: The purchases/contracts will result in obligating MNR operating and capital funds in the amount listed. Funds are available in the current MNR operating/capital budgets for this purpose.

RECOMMENDATION: That the purchases/contracts be approved as proposed. (Items are included in the resolution of approval at the beginning of the Procurement Section.)

METROPOLITAN TRANSPORTATION AUTHORITY

WHEREAS, in accordance with Section 1265-a and Section 1209 of the Public Authorities law and the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive purchase and public work contracts, and the solicitation and award of request for proposals in regard to purchase and public work contracts; and

WHEREAS, in accordance with the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive miscellaneous procurement contracts, and certain change orders to procurement, public work, and miscellaneous procurement contracts; and

WHEREAS, in accordance with Section 2879 of the Public Authorities Law and the All Agency Guidelines for Procurement of Services, the Board authorizes the award of certain service contracts and certain change orders to service contracts.

NOW, the Board resolves as follows:

1. As to each purchase and public work contract set forth in the annexed Schedule A, the Board declares competitive bidding to be impractical or inappropriate for the reasons specified therein and authorizes the execution of each such contract.
2. As to each request for proposals (for purchase and public work contracts) set forth in Schedule B for which it is deemed in the public interest to obtain authorization to solicit competitive proposals through a publicly advertised RFP for the reasons specified therein the Board declares it to be impractical or inappropriate to utilize a procurement process inviting sealed bids with award to the lowest responsive/responsible bidder.
3. As to each request for proposals (for purchase and public work contracts) set forth in Schedule C for which a recommendation is made to award the contract, the Board authorizes the execution of said contract
4. The Board ratifies each action taken set forth in Schedule D for which ratification is requested.
5. The Board authorizes the execution of each of the following for which Board authorization is required: i) the miscellaneous procurement contracts set forth in Schedule E; ii) the personal service contracts set forth in Schedule F; iii) the miscellaneous service contracts set forth in Schedule G; iv) the modifications to personal/miscellaneous service contracts set forth in Schedule H; v) the contract modifications to purchase and public work contracts set forth in Schedule I; and vi) the modifications to miscellaneous procurement contracts set forth in Schedule J.
6. The Board ratifies each action taken set forth in Schedule K for which ratification is requested.

JANUARY 2013

METRO-NORTH RAILROAD

LIST OF NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Schedules Requiring Two-Thirds Vote:

A. Non-Competitive Purchases and Public Work Contracts

(Staff Summaries required for all items greater than: \$100K; \$250K Other Non-Competitive)

I. Railtech Boutet, Inc. \$950,000 (not-to-exceed)

Staff Summary Attached

Three year Purchase Agreement for Field Welding Kits and Supplies.

Approval is requested for a non-competitive, three year purchase agreement with Railtech Boutet, Inc. for specialized field Rail Welding Kits and related supplies used to weld and connect various weighted running rail (119lb, 127lb, 132lb and 136lb) as required by MNR's Track Department. Railtech Boutet, Inc. is the Original Equipment Manufacturer (OEM) for welding kit assemblies which are uniquely compatible with MNR's inventory of welding-related equipment (mold jackets, clamps, base plates, pans, etc.).

This purchase agreement will reduce administrative costs and advertising expenses, eliminate lead time for individual purchase orders and expedite delivery. MNR has complied with the MTA All-Agency Procurement Guidelines and with PAL 1265-a (3) regarding the posting of advertisements in order to identify potential alternate suppliers. In addition to the advertisement, direct outreach by MNR Procurement was performed and no alternate suppliers have been identified.

Comparing the midpoint of the new contract with the last contract results in a unit price increase of approximately 1% per year. The unit prices for the new agreement are fixed for the 3 yr. term. Pricing is deemed to be fair and reasonable. This purchase agreement does not obligate MNR to a fixed quantity or dollar amount. The procurement total is not-to-exceed \$950,000 over a three year period and is to be funded by the MNR Operating Budget.

Schedules Requiring Majority Vote:

J. Modifications to Miscellaneous Procurement Contracts

(Approvals/Staff Summaries required for individual change orders greater than \$250K. Approvals without Staff Summaries required for change orders greater than 15% of previously approved amount which are also at least \$50K)

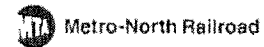
**2. Harsco Track Technologies \$250,000 (not-to-exceed)
Additional Funding - OEM Replacement Parts for Work Equipment**

Approval is requested for a contract change for additional funding in the total not-to-exceed amount of \$250,000 to an existing purchase agreement with Harsco Track Technologies (Harsco). Harsco is the Original Equipment Manufacturer (OEM), sole source and current supplier of replacement components for rail-specific work equipment (i.e. tampers, tie shears and tie drills). The current agreement with Harsco will expire June 2013.

Due to the increased maintenance requirements and recent larger scale repairs on the aged tamper machines (the units average 10 yrs.), available funding in the contract has been fully expended, and additional funding is required in order to maintain the units through the balance of the agreement. In 2013, MNR and LIRR shall look to initiate a new long term Joint Procurement with Harsco to ensure both Railroads have adequate OEM material available after the expiration of this agreement.

Harsco's terms and pricing will remain fixed for the balance of the agreement. All parts purchased through the purchase agreement are on an as-needed basis, and there are no minimum guaranteed purchases. The contract change will be funded by the MNR Operating Budget.

Schedule A: Non-Competitive Purchases and Public Work Contracts



Item Number: A

Vendor Name (& Location) Railtech Boutet Inc.	
Description Three (3) year Purch. Agree. for Field Welding Kits and Supplies	
Contract Term (including Options, if any) 3 years	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-competitive	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other Sole Source	

Contract Number 1-19377	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Total Amount:	\$950,000 (not to exceed)
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: Procurement & Material Management, Anthony J. Bombace, Jr.	
Contract Manager: R. Munoz	

Discussion:

Approval is requested for a non-competitive, three year purchase agreement with Railtech Boutet, Inc. for specialized field Rail Welding Kits and related supplies used to weld and connect various weighted running rail (119lb, 127lb, 132lb and 136lb) as required by MNR's Track Department. Railtech Boutet, Inc. is the Original Equipment Manufacturer (OEM) for welding kit assemblies which are uniquely compatible with MNR's inventory of welding-related equipment (mold jackets, clamps, base plates, pans, etc.).

This purchase agreement will reduce administrative costs and advertising expenses, eliminate lead time for individual purchase orders and expedite delivery. MNR has complied with the MTA All-Agency Procurement Guidelines and with PAL 1265-a (3) regarding the posting of advertisements in order to identify potential alternate suppliers. In addition to the advertisement, direct outreach by MNR Procurement was performed and no alternate suppliers have been identified.

Comparing the midpoint of the new contract with the last contract results in a unit price increase of approximately 1% per year. The Unit prices for the new agreement are fixed for the 3 yr. term. Pricing is deemed to be fair and reasonable. This purchase agreement does not obligate MNR to a fixed quantity or dollar amount. The procurement total is not-to-exceed \$950,000 over a three year period and is to be funded by the MNR Operating Budget.

JANUARY 2013

METRO-NORTH RAILROAD

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Schedules Requiring Majority Vote:

F. Personal Service Contracts

(Staff Summaries required for all items greater than: \$100K Sole Source; \$250K Other Non-Competitive; \$1M Competitive)

1. **WSP Sells** **\$839,512 (not to exceed)** **Staff Summary Attached**
 Construction Supervision and Inspection services for the Replacement of Bridge Street Bridge over
 Metro-North Railroad in Poughkeepsie, New York

Competitively solicited (Federal-Brooks Method) and negotiated (13 proposals received) personal service contract with the firm WSP Sells. The overall period of performance for this contract is twenty-four (24) months. This contract is part of the 80% NYSDOT- funded Bridge Street Bridge Project. The consultant will be responsible for construction supervision and inspection services and for providing related engineering services for all activities performed by the construction contractor.

On September 13, 2012, a Request for Proposal was advertised and the solicitation was issued to fifty-nine (59) firms. On October 19, 2012 technical proposals were received from thirteen (13) firms. A Selection Committee comprised of five members representing Metro-North's Procurement and Material Management Department and Capital Engineering Department evaluated the proposals. MNR utilized the "Brooks" method of selection due to NYSDOT providing 80% federal funding for this project. The criteria for selection established in the Request for Proposal is as follows:

- 1) Qualifications of key personnel and reliability to perform the Services including sub-consultant services.
- 2) Demonstrated understanding of the Workscope requirements, including but not limited to the quality and completeness of any required submissions.
- 3) Project plan (detailed description of how the Services will be performed).
- 4) Past experience on similar projects.
- 5) Familiarity with Federal and State requirements.
- 6) Financial responsibility.
- 7) Logistics and familiarity with the project area.

The Selection Committee evaluated the proposals in accordance with the selection criteria, and subsequently selected two of the proposals (WSP Sells and Lochner Engineering) for further consideration for award. Both of the finalists were invited to provide an oral presentation of their proposals. After discussions and review of both finalists, the Selection Committee unanimously selected the firm, WSP Sells as the most qualified firm for this project. A cost proposal was subsequently requested of WSP Sells

WSP Sells originally submitted a cost proposal of \$1,127,987, which MNR negotiated down to \$839,512 for a savings of 25.6% from their original proposal. All labor and overhead rates proposed by WSP Sells

effort is not-to-exceed \$839,512. This procurement is to be funded 80% by the New York State Department of Transportation using Federal funds and 20% by the MNR Capital Program.

2. Railroad Planning Consulting Services \$5,000,000 (not-to-exceed) Staff Summary Attached
Various Prequalified Consulting Firms

Approval is requested to prequalify seven consulting firms (RFP process, 12 proposals received) to perform task-based Consulting Services in support of Metro-North operations over a five year period at a total not-to-exceed cost of \$5,000,000. Under these contracts, the consultant services will augment MTA's in-place General Transportation Planning consultant list and will be used to identify strategies to enhance MNR's service and rail operations planning, system expansions, capital investments and financial efficiency. Additionally, the prequalified firms will be utilized to supplement and develop internal MNR staff to conduct strategic reviews, conduct business process reviews, and improve project management oversight.

The Selection Committee evaluated all proposals received in accordance with the selection criteria established in the RFP. As a result, the Selection Committee unanimously prequalified seven firms: CH2M Hill, L.E. Peabody Associates, Parsons Brinckerhoff, AECOM USA, Systra Engineering, KPMG, and Arup & Partners for future issuance of specific task orders focused in 11 unique consulting categories. These firms possess the optimal combination of the required qualifications, best overall technical level of knowledge and expertise in business process reviews, financial analyses and project management services.

Under the established process, the list of prequalified consultants is to be solicited on a task-specific basis during the five year period. As the need arises for consulting services in any of the 11 categories listed in the RFP (e.g. Operations Analysis, Business Process & Policy Analysis, Strategic Business Planning, Partnership Development & Assessments), MNR will solicit specific proposals and pricing from each of the prequalified firms. The firms will then submit proposals, resumes of available resources, and pricing within the negotiated rate schedule. The prequalification process does not guarantee any consulting work; however the prequalification approach is intended to streamline the process of consultant selection and retention, reduces procurement lead time, overall project time and reduces administrative costs while ensuring appropriate on-going competition.

The solicitation required vendors to submit a list and description of specific skillsets and disciplines that will be utilized to support the RFP's consultant categories. The seven firms' originally proposed all-inclusive hourly rates were negotiated down by MNR Procurement and represent an overall average reduction of 12.5%. These rates are in the same range as the current MTA contract and are deemed fair and reasonable for the services to be provided, and are fixed for the five year term of the contracts. The estimated cost of the MNR Railroad Planning Consulting Services contracts is not-to-exceed \$5,000,000 for the five year term. This procurement is to be funded by the MNR Capital and Operating Budgets.

Schedules Requiring Majority Vote:

G. Miscellaneous Service Contracts

(Staff Summaries required for all items greater than: \$100K Sole Source; \$250K Other Non-Competitive; SIM RFP; No Staff Summary required if Sealed Bid Procurement.)

3. East Coast Railroad Services \$75,000 (not-to-exceed)

Refurbish of Railroad Tie Plates

Approval is requested to award a competitively solicited (2 bids received) miscellaneous service contract. The contract is required for the on-going pick-up, re-punching (modification of original square screw lock-spike holes to round holes) and return of palletized tie plates. When ties are removed/replaced, the tie plates that secure the ties are removed; the plates are then picked-up, re-punched and returned to designated facilities throughout MNR's territory in NYS and CT.

The all-inclusive low bid price of \$3.75/per re-punched tie plate received from East Coast Railroad Services (ECRS) represents a zero dollar increase in comparison to the unit price paid by MNR under the previous three year contract (10' - 12'). By re-punching the tie plates, MNR will be offsetting the need to procure approximately 20,000 new tie plates over the contract period and will realize cost avoidance of approximately \$280,000.

East Coast Railroad Services will furnish all transportation, labor, machining / re-punching work and equipment necessary during the one year term of the agreement. MNR's contract with East Coast Railroad Services will not exceed \$75,000. The procurement is to be funded by the MNR Operating Budget (\$30,000) and by CDOT (\$45,000).

4. Life Care Inc. \$162,000 (not-to-exceed)

Work/Life Family Program and Employee Counseling Information and Referral Services

Approval is requested to award a competitively negotiated three-year miscellaneous service contract (RFP process; 3 proposals received) to Life Care Inc. to provide Work/Life Family Program and Employee Counseling Information and Referral Services. Since 1993, Metro-North Railroad (MNR) has offered a Work/Life Program, which offers Information and Referral service to all MNR employees with a goal of increasing employee morale, attendance and productivity; and the services provided are in addition to the in-house MNR Employee Assistance Program (EAP). Life Care will provide a wide range of Work/Life Information and Referral Counseling Services such as: counseling, on-site events enhanced backup care (child and adult care) professional care management services, prenatal care, special needs, healthy living program, and relocation assistance.

A Request for Proposal (RFP) was sent to 16 firms, and was also advertised in the New York State Contract Reporter, New York Post, and Daily Challenge and was posted on the MNR website. A Selection Committee comprised of representatives from MNR's Employee Assistance Program (EAP), Human Resources, Legal and Procurement Departments was formed to evaluate proposals. Three Proposals were received from the firms Ceridian, Brown Richards and Life Care Inc. Two firms were shortlisted (Brown Richards and LifeCare) to provide oral presentations and subsequent Best and Final Offers (BAFO's). Based on the combination of both technical and cost factors, Life Care Inc. was deemed the best overall firm to supply the required services. Life Care is the incumbent vendor for these services and their Per Employee, Per Year charge is a reduction from the present rate paid by MNR and represents a 20% overall savings going forward. Also, Life Care's rate will remain fixed for the full three year contract term. The total cost of this contract is a not-to-exceed \$162,000 over the three year contract term. This procurement is to be funded by MNR's Operating Budget.

Staff Summary

Item Number: 1						SUMMARY INFORMATION	
Dept & Dept Head Name: Procurement & Material Management, Anthony J. Bombace, Jr.						Vendor Name WSP Sells	Contract Number 1000018768
Division & Division Head Name: Sr. VP - Administration - Raymond Burney						Description Construction supervision and inspection services, for the Replacement of Bridge Street Bridge over Metro-North Railroad in Poughkeepsie, New York	
Board Reviews						Total Amount \$839,512 (not-to-exceed)	
Order	To	Date	Approval	Info	Other	Contract Term (including Options, if any) Twenty-four (24) Months	
1	M-N Comm Mtg.	1-28-13	X			Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
2	MTA Board Mtg	1-30-13	X			Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Internal Approvals						Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Order	Approval	Order	Approval	Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:			
X	President		Sr. V.P. Operations	Funding Source <input type="checkbox"/> Operating <input type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:			
X	Sr. VP Administration	X	V.P. Finance & IT				
X	General Counsel	X	Capital Programs				

Narrative

I. PURPOSE/RECOMMENDATION:

To obtain MTA Board approval to award a contract to WSP Sells to perform construction supervision and inspection services for the replacement of the Bridge Street Bridge over Metro-North Railroad in Poughkeepsie, New York. This contract is part of the 80% NYSDOT-funded Bridge Street Bridge project.

II. BACKGROUND, DISCUSSION and PROCUREMENT:

The bridge located at Milepost HU 65.18 carries two vehicular lanes and one sidewalk of Bridge Street over two Metro-North Railroad Hudson Line tracks and the New Hamburg train station parking lot. The bridge consists of three 55-ft. long spans. The unelectrified tracks are located under the first span and the other two spans bridge over a parking lot. The bridge superstructure consists of two continuous steel through girders with transverse steel floor beams supporting a concrete deck. The superstructure is supported on two stub abutments and two steel piers. The bridge, which was built in 1930, has been posted for a live load capacity of 15 tons due to severe deterioration and section losses to the superstructure and substructure steel. Portions of bridge components have fallen onto the tracks and parking lot below, threatening the well-being of passengers, passersby, employees and equipment.

The construction work to ultimately be performed includes the replacement of the existing superstructure with a two-span steel multi-girder superstructure. The substructure will consist of two semi integral abutments and a new reinforced concrete pier. Bridge approach work will include full depth roadway reconstruction, roadway resurfacing, sidewalk construction, guide rail replacement, drainage improvements and utility work. The new superstructure will improve the vertical alignment and will increase the existing 19 feet 10 inches vertical clearance over the railroad to 23 feet. Construction supervision and inspection services are needed to be performed at the same time as the actual construction.

On September 13, 2012, a Request for Proposal No. 1000018768 was advertised in the New York State Contract Reporter, the New York Post, Minority Commerce, and The Daily Challenge. The solicitation was also prepared and issued to 59 consulting firms. On October 19, 2012 technical proposals were received from 13 firms. A Selection Committee comprised of five members representing Metro-North's Procurement and Material Management Department and Capital Engineering Department evaluated the proposals. Metro-North Railroad was required to utilize the "Brooks" or Federal method of selection due to NYSDOT providing 80% federal funding for this project. The criteria for selection established

Staff Summary

in the Request for Proposal is as follows:

- 1) Qualifications of key personnel and reliability to perform the Services including Subconsultant Services.
- 2) Demonstrated understanding of the Workslope requirements, including but not limited to the quality and completeness of any required submissions.
- 3) Project plan (detailed description of how the Services will be performed)
- 4) Past experience on similar projects.
- 5) Familiarity with Federal and State requirements.
- 6) Financial responsibility.
- 7) Logistics and familiarity with the project area.

The Selection Committee evaluated the proposals in accordance with the selection criteria, and subsequently selected two of the proposals (WSP Sells and Lochner Engineering) for further consideration for award. Both of the finalists were invited to provide an oral presentation of their proposals. After discussions and review of both finalists, the Selection Committee unanimously selected the firm, WSP Sells as the most qualified firm for this project.

WSP Sells has assembled a team of highly qualified professionals to meet the requirements of the Request for Proposal. The resident engineer has over 25 years in all phases of heavy construction experience for clients including MNR, Staten Island Railroad, NYSDOT, and the NYS Thruway Authority. He has been the resident engineer for the rehabilitation of the Fishkill Creek Bridge for MNR in 2008 and the Park Avenue Bridge in 2009, which have similar components to this bridge. Fishkill Creek Bridge was completed in 2008 and was nominated for the MTA's Excellence in Construction Performance Award.

WSP Sells submitted a cost proposal of \$1,127,986.95 on November 12, 2012. MNR Procurement negotiated that proposal down to a cost of \$839,512 resulting in savings of 25.57% from their original proposal. All labor and overhead rates proposed by WSP Sells and their sub-consultants were reviewed and are deemed fair and reasonable. The period of performance for this work is twenty-four (24) months.

III. IMPACT ON FUNDING:

The total cost for this effort is not-to-exceed \$839,512. This procurement is to be funded 80% by the New York State Department of Transportation using Federal funds and 20% by the MNR Capital Program.

IV. D/M/WBE INFORMATION:

DBE/EEEO: Per the agreement between the MTA Department of Diversity and Civil Rights and NYSDOT (as this project is 80% NYSDOT/20% MNR Capital funded), DBE goals of 18% were established by NYSDOT. It was agreed by all parties that NYSDOT (with assistance from MNR) would be responsible for monitoring and ensuring compliance of said goals. WSP Sells has met the pre-award requirements for this contract.

V. ALTERNATIVES:

MNR does not have the available in-house staff with both the expertise and experience to complete the construction supervision and inspection work at this time.

Staff Summary

Item Number: F					
Dept & Dept Head Name: Procurement & Material Management, Anthony Lombace, Jr.					
Division & Division Head Name: Sen. VP - Administration, Raymond Burney					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	M-N Comm Mtg.	1-28-13	X		
2	MTA Board Mtg.	1-30-13	X		
Internal Approvals					
Order	Approval	Order	Approval		
X	President	X	Sr. V.P. Operations		
X	Sr. V.P. Admin	X	V.P. Planning		
X	V.P. Finance & IT	X	General Counsel		
	Capital Programs				

SUMMARY INFORMATION	
Vendor Name Various	Contract Number 16228
Description Railroad Planning Consulting Services	
Total Amount \$5,000,000 (not-to-exceed)	
Contract Term (including Options, if any) 2013-2017	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other	

I. PURPOSE/RECOMMENDATION:

Approval is requested to prequalify seven consulting firms (RFP process, 12 proposals received) to perform task-based Consulting Services in support of Metro-North operations over a five year period at a total not-to-exceed cost of \$5,000,000. Under these contracts, the consultant services will augment MTA's in-place General Transportation Planning consultant list and will be used to identify strategies to enhance MNR's service and rail operations planning, system expansions, capital investments and financial efficiency. Additionally, the prequalified firms will be utilized to supplement and develop internal MNR staff to conduct strategic reviews, conduct business process reviews, and improve project management oversight.

The prequalification process does not guarantee any consulting work; however the prequalification approach is intended to streamline the process of consultant selection and retention, reduces procurement lead time, overall project time and reduces administrative costs while ensuring appropriate on-going competition. Under the established process, MNR will solicit proposals on a task-by-task basis from the pre-approved consultants within each category.

II. DISCUSSION:

MNR will establish a list of prequalified Railroad Planning Consulting firms to cover a broad spectrum of strategic consulting services that can be utilized on a task-by-task basis to meet on-going business needs. The categories identified are as follows:

1. Operations Analysis
2. Customer Service
3. Business Process, Policy Analysis and Project Development and Management
4. Strategic Business Planning
5. Asset Management
6. Transportation Finance Strategies/Analysis
7. Partnership Development and Assessments
8. Organizational Design
9. Preventive Maintenance Program and Maintenance Review
10. Rail Safety Audit
11. Software Capability Evaluations For Development/Integration of Critical Software System Applications

The RFP for Prequalification was sent to approximately eighty firms. In addition to the direct solicitation of various known consulting firms, the solicitation was advertised in the New York State Contract Reporter, New York Post, Daily Challenge, and was posted on the Metro-North website. A Selection Committee was formed which comprised of representatives from MNR's Information Technology, Finance & Budget, Corporate Compliance & Strategic Development, Maintenance of Way Material Management, and Procurement & Material Management Departments. The Committee evaluated the proposals using the selection criteria set forth in the RFP which was listed in relative order of importance as follows:

Staff Summary

1. Demonstrated understanding of the Work Scope requirements, overall quality of the proposal, evaluations of resumes based on the required technical skills, quality and completeness of any required submissions.
2. Verifiable commitment of relevant resources to support MNR for Project Management Plans.
3. Fair and reasonable all inclusive Hourly Labor Rates
4. Demonstrated experience and effectiveness of the Proposer and resources in providing services related to Railroad Planning.

A Pre-Proposal Conference was held on July 10, 2012, with a total of 11 firms in attendance, and 12 proposals were received on August 10, 2012. The Selection Committee evaluated all proposals received in accordance with the Selection Criteria and MNR's Procurement procedures. As a result of the evaluations, the Committee unanimously selected the following seven firms as prequalified within the aforementioned categories to receive future task-specific proposal requests for Railroad Planning Consulting Services:

- | | |
|-------------------------------|----------------------------------|
| 1. CH2M Hill | 4. L.E. Peabody Associates, Inc. |
| 2. Parsons Brinckerhoff, Inc. | 5. AECOM USA, Inc. |
| 3. Systra Engineering, Inc. | 6. KPMG Corporate Finance |
| 7. Arup & Partners | |

The above firms possessed the optimal combination of the required qualifications, best overall technical level of knowledge and expertise in business process reviews, financial analyses and project management services.

The solicitation required vendors to submit a list and description of specific skillsets and disciplines that would be utilized to support the RFP's consulting categories which include but not limited to Project Manager, Financial Analyst, Rail Security Specialist, Transportation Engineer, and QA/QC Engineer. The seven firms originally proposed all-inclusive hourly rates ranging from \$64.90 (Jr. Analyst) to \$466.82 (Managing Director). These hourly rates were negotiated down to a range of \$56.79 to \$408.47 representing an overall average reduction of 12.5%. These negotiated hourly rates are in the same range as the current MTA General Transportation Planning contract and are deemed fair and reasonable for the services to be provided and are fixed for the five year term of the contracts.

Under the established process, the list of prequalified consultants is to be solicited on a task-specific, basis during the five year period. As a need arises for consulting services in any of the eleven categories listed in the RFP (e.g.-Operations Analysis, Business Process & Policy Analysis, Strategic Business Planning, Partnership Development & Assessments), MNR will solicit specific proposals and pricing from each of the prequalified firms. The firms will then submit proposals, resumes of available resources, and pricing within the negotiated rate schedule. Each individual task assignment and related funding is approved prior to any consultant request.

III. D/M/WBE INFORMATION:

The MTA Department of Diversity and Civil Rights established 10% MBE and 10%WBE vendor participation for these contracts. All firms agreed to use their best efforts to meet this requirement.

IV. IMPACT ON FUNDING:

The estimated cost of the Railroad Planning Consulting Services contracts is not-to-exceed \$5,000,000 for the five year term and is anticipated to begin February 2013. This procurement is to be funded by the MNR Capital and Operating Budgets.

V. ALTERNATIVES:

The alternative is to continue to use the individual RFP process for each task/project requirement. MNR does not possess available in-house technical staff to complete the full spectrum of the services required in a timely fashion. The railroad planning consulting services/prequalification approach described above is strongly recommended as a replacement to the traditional method as a means to significantly lessen the procurement lead-time for contract award.

JANUARY 2013

METRO-NORTH RAILROAD

LIST OF RATIFICATIONS FOR BOARD APPROVAL

NONE



Metro-North Railroad

**Status of Operations Report
January 2013**



MONTHLY OPERATING REPORT

January 2013

Performance Summary			2012 Data			2011 Data	
			Annual Goal	December	YTD thru December	December	YTD thru December
On Time Performance <i>(Trains that arrive at their final destination within 5 minutes 59 seconds of scheduled arrival time)</i>	System	Overall	97.8%	98.2%	97.6%	98.6%	96.9%
		AM Peak	97.0%	98.1%	97.5%	98.9%	95.8%
		AM Reverse Peak	97.6%	98.9%	97.9%	98.1%	96.4%
		PM Peak	98.0%	97.3%	97.1%	99.2%	96.9%
		Total Peak		97.9%	97.4%	98.9%	96.5%
		Off Peak Weekday	97.9%	98.0%	97.4%	98.5%	97.3%
		Weekend	97.9%	98.6%	98.2%	98.5%	97.0%
	Hudson Line	Overall	98.2%	98.7%	98.0%	98.5%	98.0%
		AM Peak	98.0%	98.7%	98.6%	98.6%	97.4%
		AM Reverse Peak	98.5%	100.0%	98.1%	98.6%	98.4%
		PM Peak	98.4%	98.6%	97.9%	99.0%	98.5%
		Total Peak		98.8%	98.2%	98.7%	98.0%
		Off Peak Weekday	98.1%	98.2%	97.7%	98.5%	98.2%
		Weekend	98.2%	99.1%	98.1%	98.0%	97.5%
	Harlem Line	Overall	98.3%	98.6%	98.2%	99.2%	97.7%
		AM Peak	98.0%	98.4%	98.1%	99.7%	97.1%
		AM Reverse Peak	98.0%	97.7%	98.3%	98.1%	97.0%
		PM Peak	98.5%	97.1%	97.9%	99.8%	97.8%
		Total Peak		97.8%	98.1%	99.5%	97.4%
		Off Peak Weekday	98.4%	98.7%	98.0%	98.9%	98.0%
		Weekend	98.5%	99.4%	98.6%	99.0%	97.8%
	New Haven Line	Overall	97.2%	97.5%	96.8%	98.3%	95.6%
		AM Peak	95.7%	97.5%	96.3%	98.3%	93.7%
		AM Reverse Peak	96.8%	99.4%	97.4%	97.9%	94.8%
		PM Peak	97.5%	96.7%	95.9%	98.8%	95.1%
		Total Peak		97.5%	96.3%	98.4%	94.4%
		Off Peak Weekday	97.5%	97.3%	96.7%	98.1%	96.4%
		Weekend	97.4%	97.8%	98.0%	98.4%	96.2%
Operating Statistics							
	Trains Scheduled		17,711	211,014	18,128	209,033	
	Avg. Delay per Late Train (min) <small>excluding trains canceled or terminated</small>		12.4	14.6	13.3	15.3	
	Trains Over 15 min. Late <small>excluding trains canceled or terminated</small>	1,000	59	1,262	56	1,720	
	Trains Canceled	160	3	179	2	355	
	Trains Terminated	160	16	239	23	339	
	Percent of Scheduled Trips Completed	99.8%	99.9%	99.8%	99.9%	99.7%	
Consist Compliance <i>(Percent of trains where the number of seats provided was greater than or equal to the required number of seats per loading standards)</i>	System	Overall	98.6%	99.8%	99.8%	99.7%	99.0%
		AM Peak	97.7%	99.4%	99.6%	99.3%	98.1%
		AM Reverse Peak	97.7%	100.0%	99.9%	99.9%	99.1%
		PM Peak	97.3%	99.4%	99.8%	99.6%	98.0%
		Total Peak		99.5%	99.7%	99.5%	98.2%
		Off Peak Weekday	99.3%	99.9%	99.9%	99.8%	99.4%
		Weekend	99.3%	99.9%	99.8%	99.7%	99.5%
	Hudson Line	AM Peak	99.0%	99.7%	99.9%	100.0%	99.8%
		PM Peak	99.0%	99.6%	99.9%	99.7%	99.7%
	Harlem Line	AM Peak	99.0%	99.9%	99.9%	99.9%	99.6%
		PM Peak	99.0%	99.7%	99.9%	99.8%	99.4%
	New Haven Line	AM Peak	96.0%	98.8%	99.0%	98.4%	95.6%
		PM Peak	95.0%	99.0%	99.6%	99.4%	95.8%

Categories of Delay		2012 Data			2011 Data	
		November	December	YTD thru December	December	YTD thru December
Train Delay Incidents Resulting in Late Trains. <i>(Each delay incurred by a late train is considered a separate train delay incident. Therefore, the number of train delay incidents is higher than the number of late trains for the month.)</i>	Maintenance of Way	244	115	1865	104	1968
	Capital Projects	5	8	223	6	151
	Maintenance of Equipment	134	102	1527	92	2054
	Operations Services	21	25	208	17	224
	Police Incidents	27	58	513	29	465
	Other	5	8	223	6	424
	Customers	57	53	546	30	438
	3rd Party Operations <i>(Other railroads, marine traffic, etc.)</i>	9	1	42	0	286
	Weather and Environmental	296	15	1029	11	1828



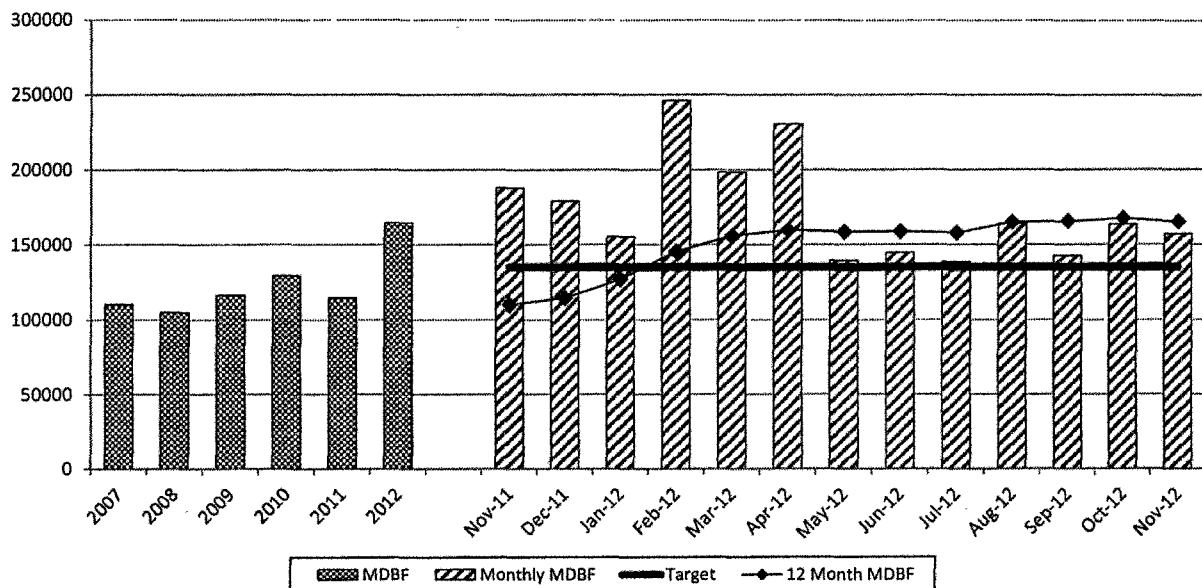
EVENTS RESULTING IN 10 or MORE LATE (L), CANCELED (C) OR TERMINATED (T) TRAINS

Date	Day	DESCRIPTION OF EVENT	Number of Late Trains															TOTAL		
			AM Peak			AM Reverse			PM Peak			Off Peak			Weekend			Late	Ctd	Term
			L	C	T	L	C	T	L	C	T	L	C	T	L	C	T			
12/12	Wed	Train 1268 had a penalty brake application at cp3, causing delays.	0	0	0	0	0	0	10	0	0	0	0	0	0	0	0	10	0	0
12/13	Thr	Train 967 struck a trespasser at 125th St Station on track 1, causing delays.	0	0	0	0	0	0	19	0	0	11	0	0	0	0	0	30	0	0
12/13	Thr	Train 630 had to change equipment at cp116 due to missing third rail shoes.	3	0	0	5	0	0	0	0	0	5	0	0	0	0	0	13	0	0
12/27	Thr	Congestion between cp3 and cp5 due to 4A circuit down at cp3.	0	0	0	0	0	0	8	0	0	4	0	0	0	0	0	12	0	0
TOTAL FOR MONTH			3	0	0	5	0	0	37	0	0	20	0	0	0	0	0	65	0	0
																		65		

	Equip- ment Type	Total Fleet Size	2012 Data						2011 Data		
			MDBF Goal (miles)	Nov MDBF (miles)	Primary Failure Goal	Nov No. of Primary Failures	YTD MDBF thru Nov (miles)	12 month MDBF Rolling Avg (miles)	Nov MDBF (miles)	Nov No. of Primary Failures	YTD MDBF thru Nov (miles)
Mean Distance Between Failures	M2	180	80,000	123,713	10	7	123,375	126,925	126,043	11	63,416
	M4/M6	102	60,000	32,328	7	14	68,980	70,582	70,614	8	41,957
	M8	154	200,000	139,301	5	7	122,198	122,274	252,622	1	145,680
	M3	140	120,000	144,536	3	2	506,923	417,362	266,000	0	255,530
	M7	336	440,000	1,762,323	4	1	719,702	686,872	1,796,705	1	627,136
	Coach	213	290,000	1,260,156	5	1	411,770	438,021	663,112	2	334,136
	P-32	31	35,000	44,889	5	4	35,975	35,639	26,718	7	35,435
	BL-20	12	12,000	19,314	3	1	10,265	10,106	23,611	1	10,321
	Fleet	1168	135,000	156,868	42	37	164,176	165,313	187,212	31	110,492
	M2/4/6/8		100,000	81,917	22	28	105,362	107,095	110,200	20	83,767
	M3/7		300,000	683,799	7	3	682,153	632,970	2,062,705	1	688,803
	Diesel/Coach		120,000	243,171	13	6	137,622	139,302	153,686	10	173,830

Mean Distance Between Failures (MDBF) is the average number of miles a railcar or locomotive travels in revenue service before breaking down and causing a delay. The higher the MDBF, the more reliable the equipment and the service.

ALL FLEETS Mean Distance Between Failures 2007-2012



West of Hudson Performance Summary			2012 Data			2011 Data	
			Annual Goal	December	YTD thru December	December	YTD thru December
On Time Performance <i>(Trains that arrive at their final destination within 5 minutes 59 seconds of scheduled arrival time)</i>	West of Hudson Total	Overall	96.4%	97.4%	97.1%	98.3%	96.6%
		AM Peak	97.3%	98.1%	97.5%	98.0%	96.5%
		PM Peak	96.8%	97.2%	97.3%	100.0%	96.5%
		Total Peak		97.7%	97.4%	98.9%	96.5%
		Off Peak Weekday	95.9%	98.1%	97.3%	97.9%	96.6%
		Weekend	95.9%	95.9%	96.4%	98.2%	96.8%
	Pascack Line	Overall	97.0%	97.5%	98.0%	98.7%	97.6%
		Valley Line	AM Peak	98.0%	98.0%	98.3%	98.2%
	PM Peak		97.5%	97.0%	98.4%	100.0%	97.7%
	Total Peak			97.5%	98.4%	99.0%	98.0%
	Off Peak Weekday		96.5%	97.8%	98.1%	98.3%	97.3%
	Weekend		96.5%	96.9%	97.5%	98.8%	97.5%
	Port Jervis Line	Overall	95.5%	97.2%	95.9%	97.8%	95.0%
		AM Peak	96.0%	98.2%	96.4%	97.6%	93.6%
		PM Peak	96.0%	97.4%	96.0%	100.0%	95.2%
		Total Peak		97.8%	96.2%	98.8%	94.5%
		Off Peak Weekday	95.0%	98.5%	96.3%	97.3%	95.3%
		Weekend	95.0%	94.4%	94.5%	97.2%	95.4%
Operating Statistics							
Trains Scheduled			1,665	19,029	1,664	18,411	
Avg. Delay per Late Train (min) <small>excluding trains canceled or terminated</small>			18.3	20.2	17.8	19.3	
Trains Over 15 min. Late <small>excluding trains canceled or terminated</small>		80	18	222	11	255	
Trains Canceled			1	19	0	28	
Trains Terminated			5	54	4	50	
Percent of Scheduled Trips Completed		99.8%	99.6%	99.6%	99.8%	99.6%	

DECEMBER 2012 STANDEE REPORT

East of Hudson

East of Hudson			DEC 2011	YTD 2011	DEC 2012	YTD 2012	
Daily Average AM Peak	Hudson Line	Program Standees	0	0	0	0	
		Add'l Standees	0	2	0	0	
		Total Standees	0	2	0	0	
	Harlem Line	Program Standees	0	0	0	0	
		Add'l Standees	0	5	1	4	
		Total Standees	0	5	1	4	
	New Haven Line	Program Standees	0	54	0	0	
		Add'l Standees	9	96	49	21	
		Total Standees	9	150	49	21	
	EAST OF HUDSON TOTAL - AM PEAK		9	157	50	25	
	Daily Average PM Peak	Hudson Line	Program Standees	0	0	0	0
			Add'l Standees	0	2	0	0
Total Standees			0	2	0	0	
Harlem Line		Program Standees	0	0	0	0	
		Add'l Standees	0	7	6	1	
		Total Standees	0	7	6	1	
New Haven Line		Program Standees	0	61	0	0	
		Add'l Standees	21	99	45	12	
		Total Standees	21	160	45	12	
EAST OF HUDSON TOTAL - PM PEAK		21	169	51	13		

West of Hudson **

West of Hudson **			DEC 2011	YTD 2011	DEC 2012	YTD 2012
Daily Average AM Peak	Port Jervis Line	Program Standees	0	0	0	0
		Add'l Standees	0	0	14	3
		Total Standees	0	0	14	3
	Pascack Valley Line	Program Standees	0	0	0	0
		Add'l Standees	0	0	0	0
		Total Standees	0	0	0	0
	WEST OF HUDSON TOTAL - AM PEAK		0	0	14	3
	Daily Average PM Peak	Port Jervis Line	Program Standees	0	0	0
Add'l Standees			0	0	0	0
Total Standees			0	0	0	0
Pascack Valley Line		Program Standees	0	0	0	0
		Add'l Standees	0	0	0	1
		Total Standees	0	0	0	1
WEST OF HUDSON TOTAL - PM PEAK		0	0	0	1	

Definitions

Weekday standees are calculated based on the most recent average weekday customer counts for the train's maximum load point. For Hudson, Harlem and most New Haven Line trains, this point occurs at GCT/125th St.. However, for certain New Haven Line trains, this maximum load point is east of Stamford.

"Program Standees" is the average number of customers in excess of programmed seating capacity.

"Additional Standees" reflect the impact of reduced train car consists (as reported in the weekday equipment reports).

Notes: These statistics do not include the effects of daily ridership variation or uneven distribution of customers within trains. Annulled or terminated trains are not included in this report. Holidays and Special Events for which there are special equipment programs are not included.

* Programmed Standees based on reduced winter schedule effective February 7 through March 6, 2011 on the New Haven Line.

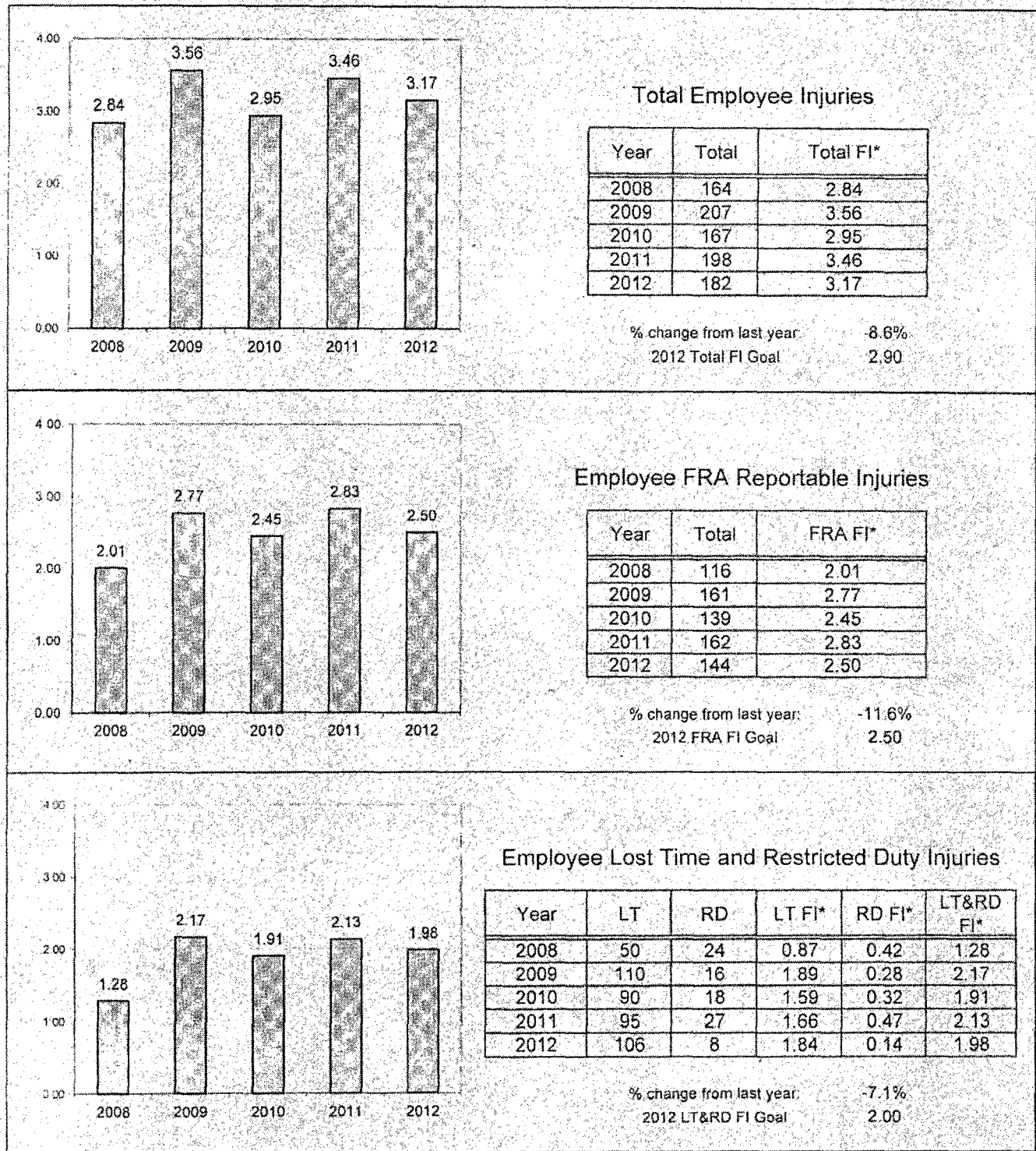
** Port Jervis Line 2011 data based on restoration of train service effective November 28 after tropical storm Irene. 2012 YTD data based on restoration of Pascack Valley service on November 13 and Port Jervis service on November 19 after hurricane Sandy.



Metro-North Railroad

Safety Report January 2013

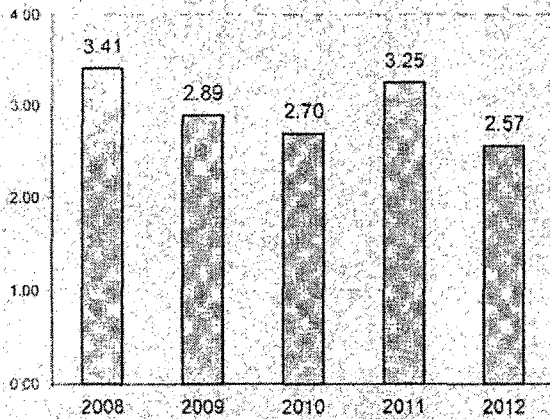
MTA Metro-North Railroad Summary of Employee Injuries thru November



* - Injuries per 200,000 hours worked

MTA Metro-North Railroad

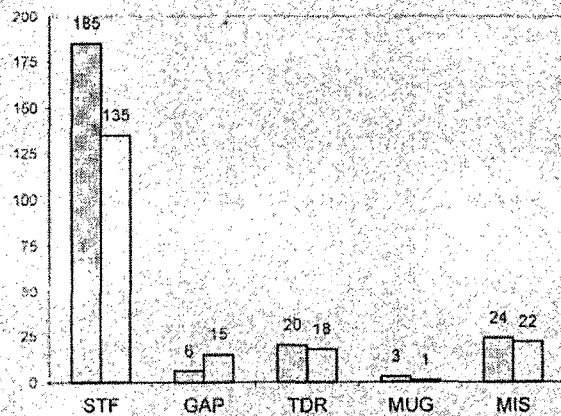
Summary of Customer/Contractor Injuries thru November



Total Customer Injuries

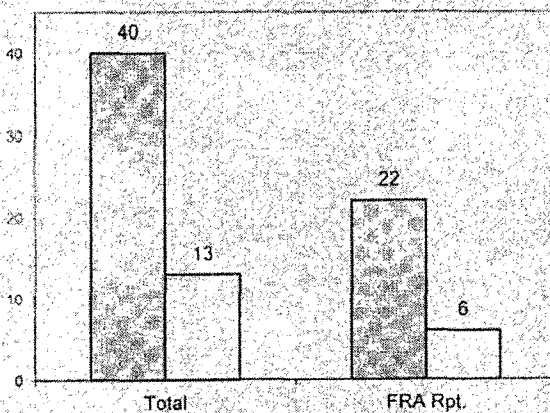
Year	Total	Total FI*
2008	254	3.41
2009	206	2.89
2010	195	2.70
2011	238	3.25
2012	191	2.57

% change from last year: -21.1%
2012 Total FI Goal: 2.70



Top 5 Customer Injuries by Type

Year	Slip/Trip/Fall	Gap	Train Doors	Mugging	Misc
2011	185	6	20	3	24
2012	135	15	18	1	22



Contractor Injuries

Year	Total	FRA Rpt.
2011	40	22
2012	13	6
% Chg	-67.5%	-72.7%

* - Injuries per 1,000,000 rides



Metro-North Railroad

FINANCIAL STATEMENTS

MONTH ENDED: NOVEMBER 2012

OFFICE OF VICE PRESIDENT OF FINANCE & INFORMATION SYSTEMS

**MTA METRO-NORTH RAILROAD
NOVEMBER 2012 FINANCIAL AND RIDERSHIP REPORT
EXECUTIVE SUMMARY**

Financial impacts of Tropical Storm Sandy through November are \$7.2 million in passenger revenue loss, 1.6 million in ridership loss and \$7.9 million in emergency coverage and repair costs. Despite the significant Sandy-related losses, November year-to-date expense results were favorable, with total Operating expenses 3.4% lower than the Mid-Year Forecast. This was due to a number of items: timing of non-payroll services; lower energy rates and usage, as well as reduced material usage requirements. Capital program expenditures (and reimbursements) were \$23.7 million better than the Mid-Year Forecast primarily due the rescheduling of project activity. These favorable results, as well as catch-up reimbursements received for prior year capital projects, significantly reduced Metro-North subsidy requirements from both MTA and CDOT.

Ridership

Total ridership was 6.3 million for November and 75.9 million year-to-date which, in spite of Tropical Storm Sandy, was 1.1% increase over the same period in 2011.

East of Hudson

- As a result of Tropical Storm Sandy, the month of November ridership of 6.2 million was 12.0% lower than the Mid-Year Forecast and 9.3% lower than 2011.
- November year-to-date ridership was 74.4 million, or 2.8% lower than the Mid-Year Forecast also due to Tropical Storm Sandy. Compared to 2011, year-to-date ridership was 1.2% higher.
- Commutation ridership was 10.9% lower than the Mid-Year Forecast for the month, and 2.7% lower year-to-date. Compared to 2011, year-to-date commutation ridership was 0.1% lower.
- Non-commutation ridership for November was 13.4% lower than the Mid-Year Forecast and 9.7% lower than 2011; year-to-date was 3.0% lower than the Mid-Year Forecast but 2.9% higher than 2011.

West of Hudson

- November year-to-date ridership was 8.6% lower than the Mid-Year Forecast due to the effects of Tropical Storm Sandy and a slower than projected recovery of ridership losses following Tropical Storm Irene.

Revenue and Reimbursements

Total Revenue and Reimbursements of \$743.3 million through November was \$29.5 million, or 3.8% lower than the Mid-Year Forecast:

- Fare Box Revenue of \$536.2 million was \$10.0 million lower than the Mid-Year Forecast due to lower ridership from Tropical Storm Sandy and slower than forecasted ridership growth.
- Other Operating Revenue of \$47.2 million was \$4.2 million above the Mid-Year Forecast due to higher GCT retail net revenue (related to rescheduling of the Trainshed project and lower tenant service costs) combined with higher advertising revenue from GCT digital displays.
- Capital and Other Reimbursements of \$160.0 million was \$23.7 million lower than the Mid-Year Forecast due to scheduling changes in a number of projects, the most significant of which were: West Haven Station; Main Line High Speed Turnout; NH Component Change-out Shop; the CDOT C-29 Track Program; Radio Frequency Rebanding; the NHL Waterbury Branch CWR Replacement; and a number of other smaller track programs.

Expenses

Total non-reimbursable and reimbursable expenses of \$1,304.3 million through November were \$64.5 million (4.7%) lower than the Mid-Year Forecast:

- \$48.5 million was attributable to lower non-labor costs. These were primarily driven by lower contract service costs material usage from efficiency gains in car fleet maintenance, scheduling changes for locomotive overhauls, and timing differences of capital projects. \$10 million of the variance is also due to a delay in recording depreciation for completed capital projects that will be adjusted in December.
- Total Labor costs (operating and capital) were \$4.5 million (0.6%) below the Mid-Year Forecast due to vacancies.

Financial Performance Measures

- Adjusted Farebox Operating Ratio of 69.1% for November year-to-date was 2.0 percentage points better than the Mid-Year Forecast due to lower expenses.
- Adjusted Cost per Passenger of \$11.57 for the period was \$0.13 lower than the Mid-Year Forecast due to lower expenses.
- Revenue per Passenger of \$7.29 for the period was \$0.08 higher than the Mid-Year Forecast.

**MTA METRO-NORTH RAILROAD
NOVEMBER 2012 FINANCIAL REPORT
YEAR-TO-DATE ACTUAL VERSUS MID-YEAR FORECAST**

REVENUE

Total Revenue and Reimbursements – November year-to-date is \$743.3 million which is \$29.5 million (3.8%) lower than the Mid-Year Forecast.

- **Farebox Revenue** – year-to-date and month were lower than the Mid-Year Forecast by \$10.0 million (1.8%), and \$5.1 million (9.9%), respectively, due to ridership losses from Tropical Storm Sandy, and slower than projected ridership growth.
- **Other Operating Revenue** – year-to-date and month were higher than the Mid-Year Forecast by \$4.2 million (9.8%), and \$0.2 million (5.3%), respectively, due to higher advertising revenue from GCT digital displays combined with higher GCT retail revenue due to lower tenant service costs and re-scheduling of the GCT Trainshed project.
- **Capital and Other Reimbursements** – Timing and scheduling changes versus Mid-Year Forecast resulted in year-to-date reimbursements being \$23.7 million lower than the Mid-Year Forecast. Most of this was attributable to the following capital projects: West Haven Station, CDOT C29 Track Program, Mainline/High Speed Turnouts, Positive Train Control, NH Component Change-out Shop, Radio Frequency Rebanding and Cos Cob West Substation. For the month of November, Capital and Other Reimbursements were \$5.4 million lower than the Mid-Year Forecast.

EXPENSES

Total Expenses – Year-to-date non-reimbursable and reimbursable expense of \$1,304.3 million was 4.7% (\$64.5 million) lower than the Mid-Year Forecast. For the month, total expenses were \$11.2 million or 8.5% lower than the Mid-Year Forecast.

Labor Expense (including fringe and overhead recoveries) was \$728.1 million YTD. This was \$4.5 million (0.6%) lower than Mid-Year Forecast primarily due to vacancies, favorable healthcare premiums, and lower employee claim payments associated with the on-going efforts to reduce injuries and promote a safe work environment. Partly offsetting these favorable results was a \$3.8 million increase in overtime coverage previously related to Tropical Storm Sandy. For the month, labor expenses were \$0.9 million higher than the budget.

Non-Labor Expenses

YTD non-labor expenses were \$317.2 million, \$48.5 million lower than the Mid-Year Forecast and \$5.3 million lower for the month.

- **Electric Power** – \$6.2 million lower year-to-date (\$0.8 million lower for the month) primarily due to a one-time credit of \$2.2 million in August for East Side Access electricity that had been charged to GCT in addition to lower traction power prices and consumption.
- **Maintenance & Other Operating Contracts** – year-to-date expenses were \$94.3 million, \$13.0 million lower than the Mid-Year Forecast primarily due to the rescheduling of Genesis locomotive overhaul and car disposal expenditures, lower expense for facility and equipment maintenance contracts and vehicle repairs, and timing differences in intercompany police and real estate charges. For the month, expenses were \$2.2 million lower than the Mid-Year Forecast.
- **Professional Services** – \$29.8 million year-to-date expense was \$1.8 million lower vs. the Mid-Year Forecast. This was due to timing on a variety of items that include legal, environmental compliance, medical and IT service costs. For the month expenses were \$0.3 million lower than the Mid-Year Forecast.
- **Materials & Supplies** – \$72.5 million year-to-date expense was \$19.6 million below the Mid-Year Forecast due to \$12 million in timing differences of reimbursable capital project activity (primarily in West Haven Station and track programs) and maintenance initiatives that reduce rolling-stock part consumption. For the month, expenses were \$2.0 million lower than the Mid-Year Forecast.
- **Other Business Expenses** – \$16.5 million, \$7.7 million lower than the Mid-Year Forecast primarily due to a lower than estimated settlement of 2011 subsidies owed to NJ Transit caused by reduced Port Jervis line service due to Tropical Storm Irene. For the month, expenses were \$0.2 million higher than the Mid-Year Forecast due to a higher NJT subsidy payment.

Depreciation and Other Non Cash Liability Adjustments – \$11.6 million year-to-date (\$6.8 million for the month) below Mid-Year Forecast. \$10.6 million is due to the timing of depreciation expense recognition that will be booked in December; \$2.6 million is due to a lower Environmental Remediation reserve than forecasted. This was partly offset by a \$1.6 million increase in Other Post Employment Benefit (OPEB) obligation reserves that was based on an updated actuarial estimate.

CASH DEFICIT

Cash Deficit through November of \$231.6 million was \$71.9 million favorable to the Mid-Year Forecast. This is due to a combination of lower overall expenses (as noted above) and catch-up reimbursements received this year from MTA and CDOT for 2011 capital work.

MTA METRO-NORTH RAILROAD
JULY FINANCIAL PLAN - 2012 MID-YEAR FORECAST
ACCRUAL STATEMENT of OPERATIONS by CATEGORY
November 2012
(\$ in millions)

SCHEDULE I - A

	Nonreimbursable				Reimbursable				Total			
	Mid-Year Forecast	Actual	Favorable (Unfavorable)		Mid-Year Forecast	Actual	Favorable (Unfavorable)		Mid-Year Forecast	Actual	Favorable (Unfavorable)	
			Variance	Percent			Variance	Percent			Variance	Percent
Revenue												
Farebox Revenue	\$51.790	\$46.683	(\$5.107)	(9.9)	\$0.000	\$0.000	\$0.000	-	\$51.790	\$46.683	(\$5.107)	(9.9)
Vehicle Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	4.595	4.839	0.244	5.3	0.000	0.000	0.000	-	4.595	4.839	0.244	5.3
Capital & Other Reimbursements:												
MTA	0.000	0.000	0.000	-	9.798	5.273	(4.524)	(46.2)	9.798	5.273	(4.524)	(46.2)
CDOT	0.000	0.000	0.000	-	4.751	4.014	(0.737)	(15.5)	4.751	4.014	(0.737)	(15.5)
Other	0.000	0.000	0.000	-	0.675	0.583	(0.092)	(13.6)	0.675	0.583	(0.092)	(13.6)
Total Capital and Other Reimbursements	0.000	0.000	0.000	-	15.223	9.870	(5.353)	(35.2)	15.223	9.870	(5.353)	(35.2)
Total Revenue/Receipts	\$56.385	\$51.521	(\$4.863)	(8.6)	\$15.223	\$9.870	(\$5.353)	(35.2)	\$71.608	\$61.392	(\$10.216)	(14.3)
Expenses												
Labor:												
Payroll	\$34.359	\$34.216	\$0.143	0.4	\$3.671	\$2.373	\$1.298	35.4	\$38.031	\$36.590	\$1.441	3.8
Overtime	5.389	6.230	(0.841)	(15.6)	1.227	0.952	0.275	22.4	6.616	7.182	(0.566)	(8.6)
Health and Welfare	6.965	7.017	(0.052)	(0.7)	1.001	0.687	0.333	33.3	7.966	7.685	0.281	3.5
OPEB Current Payment	1.494	1.633	(0.138)	(9.3)	0.000	0.000	0.000	-	1.494	1.633	(0.138)	(9.3)
Pensions	5.688	5.774	(0.085)	(1.5)	0.677	0.384	0.293	43.3	6.366	6.158	0.208	3.3
Other Fringe Benefits	7.982	10.240	(2.258)	(28.3)	0.832	0.635	0.197	23.7	8.814	10.875	(2.061)	(23.4)
Reimbursable Overhead	(3.144)	(2.048)	(1.095)	(34.8)	3.112	2.029	1.083	34.8	(0.032)	(0.019)	(0.013)	(39.3)
Total Labor	\$58.735	\$63.061	(\$4.326)	(7.4)	\$10.521	\$7.041	\$3.479	33.1	\$69.255	\$70.102	(\$0.847)	(1.2)
Non-Labor:												
Electric Power	\$6.404	\$5.617	\$0.786	12.3	\$0.000	\$0.007	(\$0.007)	-	\$6.404	\$5.625	\$0.779	12.2
Fuel	2.352	2.300	0.052	2.2	0.000	0.000	(0.000)	-	2.352	2.300	0.052	2.2
Insurance	0.941	0.921	0.020	2.1	0.339	0.178	0.160	47.3	1.280	1.100	0.180	14.1
Claims	0.058	0.058	0.000	0.8	0.000	0.000	0.000	-	0.058	0.058	0.000	0.8
Paratransit Service Contracts	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Maintenance and Other Operating Contracts	8.537	6.771	1.766	20.7	1.337	0.953	0.385	28.8	9.875	7.724	2.151	21.8
Professional Service Contracts	2.283	2.079	0.204	8.9	0.398	0.300	0.099	24.8	2.682	2.379	0.303	11.3
Materials & Supplies	6.708	5.616	1.092	16.3	2.283	1.368	0.916	40.1	8.991	6.984	2.008	22.3
Other Business Expenses	1.804	2.341	(0.537)	(29.8)	0.345	0.023	0.322	93.3	2.149	2.364	(0.215)	(10.0)
Total Non-Labor	\$29.087	\$25.704	\$3.383	11.6	\$4.703	\$2.829	\$1.874	39.8	\$33.790	\$28.533	\$5.257	15.6
Other Adjustments:												
Other	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Other Adjustments	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-
Total Expenses before Non-Cash Liability Adjs.	\$87.822	\$88.765	(\$0.943)	(1.1)	\$15.223	\$9.870	\$5.353	35.2	\$103.045	\$98.635	\$4.410	4.3
Depreciation	23.195	18.141	5.054	21.8	0.000	0.000	0.000	-	23.195	18.141	5.054	21.8
OPEB Obligation	5.000	3.282	1.718	34.4	0.000	0.000	0.000	-	5.000	3.282	1.718	34.4
Environmental Remediation	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Expenses	\$116.017	\$110.188	\$5.829	5.0	\$15.223	\$9.870	\$5.353	35.2	\$131.240	\$120.058	\$11.182	8.5
Net Surplus/(Deficit)	(\$59.632)	(\$58.666)	\$0.965	1.6	\$0.000	\$0.000	\$0.000	-	(\$59.632)	(\$58.666)	\$0.965	1.6
Cash Conversion Adjustments:												
Depreciation	23.195	18.141	(5.054)	(21.8)	0.000	0.000	0.000	-	23.195	18.141	(5.054)	(21.8)
Operating/Capital	(1.721)	(0.689)	1.032	60.0	0.000	0.000	0.000	-	(1.721)	(0.689)	1.032	60.0
Other Cash Adjustments	(4.339)	(5.788)	(1.449)	(33.4)	0.000	0.000	0.000	-	(4.339)	(5.788)	(1.449)	(33.4)
Total Cash Conversion Adjustments	\$17.135	\$11.664	(\$5.470)	(31.9)	\$0.000	\$0.000	\$0.000	-	\$17.135	\$11.664	(\$5.470)	(31.9)
Net Cash Surplus/(Deficit)	(\$42.497)	(\$47.002)	(\$4.505)	(10.6)	\$0.000	\$0.000	\$0.000	-	(\$42.497)	(\$47.002)	(\$4.505)	(10.6)

-- Results are preliminary and subject to audit review.

-- Differences are due to rounding.

* Variance exceeds 100%.

MTA METRO-NORTH RAILROAD
JULY FINANCIAL PLAN - 2012 MID-YEAR FORECAST
ACCRUAL STATEMENT of OPERATIONS by CATEGORY
November Year-To-Date
(\$ in millions)

SCHEDULE I - B

	Nonreimbursable				Reimbursable				Total			
	Mid-Year Forecast	Actual	Favorable (Unfavorable)		Mid-Year Forecast	Actual	Favorable (Unfavorable)		Mid-Year Forecast	Actual	Favorable (Unfavorable)	
			Variance	Percent			Variance	Percent			Variance	Percent
Revenue												
Farebox Revenue	\$546.136	\$536.168	(\$9.967)	(1.8)	\$0.000	\$0.000	\$0.000	-	\$546.136	\$536.168	(\$9.967)	(1.8)
Vehicle Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	42.982	47.173	4.191	9.8	0.000	0.000	0.000	-	42.982	47.173	4.191	9.8
Capital & Other Reimbursements:												
MTA	0.000	0.000	0.000	-	97.027	78.515	(18.513)	(19.1)	97.027	78.515	(18.513)	(19.1)
CDOT	0.000	0.000	0.000	-	78.101	71.578	(6.523)	(8.4)	78.101	71.578	(6.523)	(8.4)
Other	0.000	0.000	0.000	-	8.548	9.870	1.323	15.5	8.548	9.870	1.323	15.5
Total Capital and Other Reimbursements	0.000	0.000	0.000	-	183.676	159.963	(23.713)	(12.9)	183.676	159.963	(23.713)	(12.9)
Total Revenue/Receipts	\$589.118	\$583.342	(\$5.776)	(1.0)	\$183.676	\$159.963	(\$23.713)	(12.8)	\$772.794	\$743.305	(\$29.489)	(3.8)
Expenses												
Labor:												
Payroll	\$364.572	\$363.795	\$0.777	0.2	\$41.557	\$36.908	\$4.649	11.2	\$406.129	\$400.703	\$5.426	1.3
Overtime	47.910	49.737	(1.827)	(3.8)	15.668	16.860	(1.193)	(7.6)	63.578	66.597	(3.019)	(4.7)
Health and Welfare	73.300	72.096	1.204	1.6	11.759	10.967	0.792	6.7	85.058	83.063	1.995	2.3
OPEB Current Payment	18.508	17.417	(0.912)	(5.5)	0.000	0.000	0.000	-	18.508	17.417	(0.912)	(5.5)
Pensions	60.618	60.416	0.201	0.3	7.480	6.289	1.191	15.9	68.097	66.705	1.392	2.0
Other Fringe Benefits	83.661	83.665	(0.004)	(0.0)	10.031	10.205	(0.174)	(1.7)	93.692	93.870	(0.178)	(0.2)
Reimbursable Overhead	(37.563)	(32.973)	(4.589)	(12.2)	37.082	32.688	4.395	11.9	(0.480)	(0.286)	(0.195)	(40.5)
Total Labor	\$609.003	\$614.153	(\$5.150)	(0.8)	\$123.576	\$113.917	\$9.660	7.8	\$732.579	\$728.070	\$4.510	0.6
Non-Labor:												
Electric Power	\$70.827	\$64.456	\$6.371	9.0	\$0.000	\$0.207	(\$0.207)	-	\$70.827	\$64.663	\$6.164	8.7
Fuel	25.065	25.430	(0.365)	(1.5)	0.000	0.001	(0.001)	-	25.065	25.431	(0.366)	(1.5)
Insurance	10.072	9.850	0.222	2.2	4.211	3.654	0.557	13.2	14.283	13.505	0.779	5.5
Claims	0.422	0.608	(0.187)	(44.2)	0.000	0.000	0.000	-	0.422	0.608	(0.187)	(44.2)
Paratransit Service Contracts	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Maintenance and Other Operating Contracts	90.612	77.998	12.614	13.9	16.614	16.252	0.362	2.2	107.227	94.250	12.977	12.1
Professional Service Contracts	23.499	21.053	2.446	10.4	8.059	8.698	(0.639)	(7.9)	31.557	29.751	1.807	5.7
Materials & Supplies	63.707	56.175	7.532	11.8	28.370	16.330	12.041	42.4	92.077	72.504	19.573	21.3
Other Business Expenses	21.326	15.557	5.769	27.1	2.845	0.904	1.941	68.2	24.171	16.461	7.709	31.9
Total Non-Labor	\$305.529	\$271.127	\$34.402	11.3	\$60.099	\$46.046	\$14.053	23.4	\$365.629	\$317.173	\$48.456	13.3
Other Adjustments												
Other	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Other Adjustments	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-
Total Expenses before Non-Cash Liability Adjs.	\$914.532	\$885.279	\$29.253	3.2	\$183.676	\$159.963	\$23.713	12.9	\$1,098.208	\$1,045.243	\$52.965	4.8
Depreciation	212.820	202.255	10.564	5.0	0.000	0.000	0.000	-	212.820	202.255	10.564	5.0
OPEB Obligation	54.997	56.633	(1.636)	(3.0)	0.000	0.000	0.000	-	54.997	56.633	(1.636)	(3.0)
Environmental Remediation	2.742	0.138	2.604	95.0	0.000	0.000	0.000	-	2.742	0.138	2.604	95.0
Total Expenses	\$1,185.091	\$1,144.306	\$40.785	3.4	\$183.676	\$159.963	\$23.713	12.9	\$1,368.767	\$1,304.269	\$64.497	4.7
Net Surplus/(Deficit)	(\$595.973)	(\$560.965)	\$35.008	5.9	\$0.000	(\$0.000)	(\$0.000)	-	(\$595.973)	(\$560.965)	\$35.008	5.9
Cash Conversion Adjustments:												
Depreciation	212.820	202.255	(10.564)	(5.0)	0.000	0.000	0.000	-	212.820	202.255	(10.564)	(5.0)
Operating/Capital	(20.425)	(13.933)	6.492	31.8	0.000	0.000	0.000	-	(20.425)	(13.933)	6.492	31.8
Other Cash Adjustments	100.020	141.011	40.991	41.0	0.000	0.000	0.000	-	100.020	141.011	40.991	41.0
Total Cash Conversion Adjustments	\$292.415	\$329.334	\$36.919	12.6	\$0.000	\$0.000	\$0.000	-	\$292.415	\$329.334	\$36.919	12.6
Net Cash Surplus/(Deficit)	(\$303.558)	(\$231.631)	\$71.927	23.7	\$0.000	(\$0.000)	(\$0.000)	-	(\$303.558)	(\$231.631)	\$71.927	23.7

- Results are preliminary and subject to audit review.
- Differences are due to rounding.
* Variance exceeds 100%.

MTA METRO-NORTH RAILROAD
 ACCRUAL STATEMENT OF OPERATIONS BY CATEGORY
 EXPLANATION OF VARIANCE BETWEEN MID-YEAR FORECAST AND ACTUAL RESULTS
 JULY FINANCIAL PLAN - 2012 MID-YEAR FORECAST
 NOVEMBER, 2012
 (\$ in millions)

Generic Revenue or Expense Category	Non Reimb. or Reimb.	Current Month vs. Mid-Year Forecast			Year to Date vs. Mid-Year Forecast		
		Variance Fav (Unfav)		Reason for Variance	Variance Fav (Unfav)		Reason for Variance
		\$	%		\$	%	
FAREBOX REVENUE	Non-Reimb	(\$5.107)	(9.9%)	Reflects revenue losses associated with Tropical Storm Sandy.			
OTHER OPERATING REVENUE	Non-Reimb	\$0.244	5.3%	Reflects higher advertising revenue \$0.449 mil partly offset by timing of station rents and miscellaneous revenue (-\$0.111 mil) and GCT net retail (-\$0.052 mil) and lower commissary revenue due to Tropical Storm Sandy (\$-0.033 mil).	\$4.191	9.8%	Primarily reflects higher YTD advertising revenue from new digital displays (\$2.2m) and higher GCT net retail revenues due to lower tenant service and projects costs (\$1.8m).
CAPITAL AND OTHER REIMBURSEMENTS	Reimb	(\$5.353)	(35.2%)	Lower reimbursements reflect scheduling changes in capital project expenditures.	(\$23.713)	(12.9%)	Lower reimbursements reflect scheduling changes in capital project expenditures.
PAYROLL	Reimb	\$1.298	35.4%	Reflects lower than projected activity on the Mainline Turnouts Project and Cyclical Track Program 2012 delays and vacancies in MTA Business Service Center, Capital Admin, Signal System Replacement, Cos Cob West Substation, C-29 Track program and the Positive Train Control.	\$4.650	11.2%	Reflects lower than projected activity on the Mainline Turnouts Project and Waterbury Branch CWR Replacement, delays and vacancies in C-29 Track program, MTA Business Service Co, Capital Admin, Cos Cob West Substation and the Positive Train Control, and the and prior period corrections on EIS & Engineering project.
OVERTIME	Non-Reimb	(\$0.841)	(15.6%)	The overrun was primarily driven by Tropical Storm Sandy coverage.			
	Reimb	\$0.275	22.4%	Reflects lower than projected activity on the Cyclical Track Program and the Mainline Turnouts, delays in the Signal System Replacement, Positive Train Control and the Substation Bridge 23 Construction.	(\$1.193)	(7.6%)	Reflects higher than projected activity on the West Haven Station and the Replace/Repair Undergrade Bridge Program.
HEALTH AND WELFARE	Reimb	\$0.333	33.3%	Reflects lower project activity.	\$0.791	6.7%	Reflects lower project activity.
OPEB CURRENT PAYMENT	Non-Reimb	(\$0.138)	(9.3%)	Reflects increased medical premiums for retired employees.	(\$0.912)	(5.5%)	Reflects increased medical premiums for retired employees.
PENSIONS	Reimb	\$0.293	43.3%	Reflects lower project activity.	\$1.192	15.9%	Reflects lower project activity.
OTHER FRINGE BENEFITS	Non-Reimb	(\$2.258)	(28.3%)	Reflects higher employee claim payments, railroad taxes, and employee reimbursements.			
	Reimb	\$0.197	23.7%	Reflects rate differentials and project adjustments	(\$0.174)	(1.7%)	Reflects rate differentials and project adjustments

MTA METRO-NORTH RAILROAD
ACCRUAL STATEMENT OF OPERATIONS BY CATEGORY
EXPLANATION OF VARIANCE BETWEEN MID-YEAR FORECAST AND ACTUAL RESULTS
JULY FINANCIAL PLAN - 2012 MID-YEAR FORECAST
NOVEMBER, 2012
(\$ in millions)

Generic Revenue or Expense Category	Non Reimb. or Reimb.	Current Month vs. Mid-Year Forecast				Year to Date vs. Mid-Year Forecast			
		Variance Fav (Unfav)		Reason for Variance	Variance Fav (Unfav)		Reason for Variance		
		\$	%		\$	%			
REIMBURSABLE OVERHEAD	Non-Reimb	(\$1.095)	(34.8%)	Reflects lower capital project activity for: Mainline/High Speed Turnouts, Cyclical Tack Program, Cos Cob West Substation, New Haven Independent Wheel Shop, NH Component Change out Shop ,PBX Equipment Upgrade, Radio Frequency Rebanding and West Haven Station.	(\$4.589)	(12.2%)	Reflects lower capital project activity for: West Haven Station, CDOT C29 Track Program, , Mainline/High Speed Turnouts, Positive Train Control, NH Component Change-out Shop, Radio Frequency Rebanding and Cos Cob West Substation.		
	Reimb	\$1.083	34.8%	Reflects lower project activity.	\$4.394	11.8%	Reflects lower project activity.		
ELECTRIC POWER	Non-Reimb	\$0.786	12.3%	Primarily due to lower prices and consumption.	\$6.371	9.0%	Reflects \$2.2m credit for East Side Access electricity usage originally charged to GCT (2009-2012) and lower traction power costs due to lower prices and consumption.		
INSURANCE	Reimb	\$0.160	47.3%	Reflects lower project activity.	\$0.557	13.2%	Reflects lower project activity.		
CLAIMS					(\$0.187)	(44.2%)	Increase primarily due to payments for New Jersey Transit employee claims for MNR West of Hudson service.		
MAINTENANCE AND OTHER OPERATING CONTRACTS	Non-Reimb	\$1.766	20.7%	Lower costs for maintenance contracts, MTA Police services, environmental compliance, M-2 car disposals, office space rentals and snow removal. These decreases are partially offset by a payment for prior period Ferry and Bus services and the timing of payments for non-revenue vehicle repairs.	\$12.614	13.9%	Lower YTD expenditures reflect scheduling changes in locomotive overhaul and lower costs for maintenance contracts, revenue vehicle repairs, office space charges, M-2 car disposals and MTA Police services.		
	Reimb	\$0.385	28.8%	Reflects delays on the Cos Cob West Substation partially offset by higher than projected expenses on the Waterbury Branch Bridge Repairs and the C-29 Track Program.	\$0.362	2.2%	Reflects delay of the Cos Cob West Substation and the Design Guard Booths at Stamford and East Bridgeport partially offset by higher than projected expenses on the New Haven Independent Wheel True Shop.		
PROFESSIONAL SERVICE CONTRACTS	Non-Reimb	\$0.204	8.9%	Lower costs primarily due to timing of payments for office equipment rentals and lower expenses for bridge inspections and legal, medical , and audit costs, partially offset by the timing of expenses for New Haven Line BSC, market research and IT hardware.	\$2.446	10.4%	Favorable variance reflects lower expenditures for legal expenses, IT service costs, outside audit fees, training, medical services, position advertising and bridge inspections.		
	Reimb	\$0.099	24.8%	Reflects delay on the Radio Frequency Rebanding project partially offset by the higher than projected expenses on the Positive Train Control project.	(\$0.639)	(7.9%)	Reflects higher than projected expenses on the West Haven Station partially offset by delays on the Radio Frequency Rebanding project, Mainline Highspeed Turnouts and the NHL - EMU Fleet Replacement - M8 Spec Dev.		

MTA METRO-NORTH RAILROAD
ACCRUAL STATEMENT OF OPERATIONS BY CATEGORY
EXPLANATION OF VARIANCE BETWEEN MID-YEAR FORECAST AND ACTUAL RESULTS
JULY FINANCIAL PLAN - 2012 MID-YEAR FORECAST
NOVEMBER, 2012
(\$ in millions)

Generic Revenue or Expense Category	Non Reimb. or Reimb.	Current Month vs. Mid-Year Forecast			Year to Date vs. Mid-Year Forecast		
		Variance Fav (Unfav)		Reason for Variance	Variance Fav (Unfav)		Reason for Variance
		\$	%		\$	%	
MATERIAL AND SUPPLIES	Non-Reimb	\$1.092	16.3%	Primarily due to lower rolling stock parts & supplies usage, reduced spending on carbody materials and timing for the delivery of media material, partly offset by higher expenses for switch and signal equipment.	\$7.532	11.8%	Primarily due to lower rolling stock parts & supplies usage, car body materials and switch and signal equipment.
	Reimb	\$0.916	40.1%	Reflects delay on the NHL Rail Yard Component Change Out Shop, Bronx Stations/Capacity IMP and higher than projected expenses on the West Haven Station and the Cyclical Track Program.	\$12.041	42.4%	Reflects higher than projected expenses on the West Haven Station, Mainline / High Speed Turnouts, Cyclical Track Program 2012 and the Replace Fiber/C&S Cables and the delay in the C-29 Track program, NH Rail Yard - Component Changeout Shop and the Bronx Stations/Capacity.
OTHER BUSINESS EXPENSES	Non-Reimb	(\$0.537)	(29.8%)	Reflects higher NJT Subsidy Payment, partly offset by non-operating expenses.	\$5.769	27.1%	Favorable variance is primarily due to lower NJT Subsidy Payments related to the final settlement of 2011 Pt. Jervis Line service costs.
	Reimb	\$0.322	93.3%	Reflects lower than projected expenses on the PBX Equipment Upgrade project and the Positive Train Control project and insignificant variances on several other projects.	\$1.941	68.2%	Reflects lower than projected expenses on the PBX Equipment Upgrade project, Positive Train Control project and the New Haven Independent Wheel True Shop partially offset by the Replace Fiber/C&S Cables and the 525 N.Broadway project.
DEPRECIATION	Non-Reimb	\$5.054	21.8%	Timing in completion of capital projects.	\$10.564	5.0%	Timing in completion of capital projects.
OTHER POST EMPLOYMENT BENEFITS	Non-Reimb	\$1.718	34.4%	Reflects liability based on a preliminary actuary estimate.	(\$1.636)	(3.0%)	Reflects updated actuary analysis.
ENVIRONMENTAL REMEDIATION	Non-Reimb				\$2.604	95.0%	Primarily due to fewer projects requiring remediation. Many large projects are winding down, new projects are generally smaller in scope and require less remediation.
OPERATING CAPITAL	Non-Reimb	\$1.032	60.0%	Reflects lower activity on the Tie Exchanger, M of W Equipment, Vehicle Replacement, Repair Boring Machines - Harmon Shop, Hudson Rail Link Bus Replacement, Lan Hardware Replacement, CMS Platform Change, C&S Microcomputer Replacement and the Purchase Mobile and Rolling Stock Radios.	\$6.492	31.8%	Reflects lower activity on the Snowmelter Cabinets, Harmon Material Distribution Center Roof Repair, Locomotive Overhaul For 6 GP 35 Locos, Repair Boring Machines - Harmon Shop, Replacement DC Substation Signal House Roofs, Purchase Junior Tamper, GIS Expansion, Replace GCT Hi-Rail Vehicle projects and the Purchase Mobile and Rolling Stock Radios.

* Variance exceeds 100%.

MTA METRO-NORTH RAILROAD
JULY FINANCIAL PLAN - 2012 MID-YEAR FORECAST
CASH RECEIPTS AND EXPENDITURES
(\$ in millions)

SCHEDULE III

	November 2012				Year-to-Date			
	Mid-Year Forecast	Actual	Favorable (Unfavorable)		Mid-Year Forecast	Actual	Favorable (Unfavorable)	
			Variance	Percent			Variance	Percent
Receipts								
Farebox Receipts	\$52.494	\$45.685	(\$6.809)	(13.0)	\$553.083	\$543.619	(\$9.464)	(1.7)
Toll Receipts	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Receipts	4.141	6.797	2.656	64.1	67.659	73.527	5.868	8.7
Capital & Other Reimbursements:								
MTA	7.841	3.321	(4.520)	(57.6)	119.975	123.934	3.959	3.3
CDOT	5.009	8.585	3.576	71.4	95.771	91.191	(4.580)	(4.8)
Other	0.652	0.624	(0.028)	(4.3)	11.840	18.517	6.677	56.4
Total Capital and Other Reimbursements	13.502	12.530	(0.972)	(7.2)	227.586	233.642	6.056	2.7
Total Receipts	\$70.137	\$65.012	(\$5.125)	(7.3)	\$848.328	\$850.788	\$2.460	0.3
Expenditures								
Labor:								
Payroll	\$43.825	\$39.186	\$4.639	10.6	\$412.351	\$394.856	\$17.495	4.2
Overtime	6.878	8.425	(1.547)	(22.5)	65.748	67.011	(1.263)	(1.9)
Health and Welfare	8.032	14.898	(6.866)	(85.5)	93.890	96.974	(3.084)	(3.3)
OPEB Current Payment	1.627	2.920	(1.293)	(79.4)	17.867	18.745	(0.878)	(4.9)
Pensions	5.890	5.867	0.023	0.4	49.244	49.124	0.120	0.2
Other Fringe Benefits	8.291	9.810	(1.519)	(18.3)	97.943	92.605	5.338	5.5
GASB Account	0.729	0.729	0.000	0.0	8.019	8.019	0.000	0.0
Reimbursable Overhead	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Labor	\$75.272	\$81.835	(\$6.563)	(8.7)	\$745.062	\$727.334	\$17.728	2.4
Non-Labor:								
Electric Power	\$7.041	\$5.009	\$2.032	28.9	\$71.937	\$64.955	\$6.982	9.7
Fuel	2.852	1.658	1.194	41.9	25.446	19.176	6.270	24.6
Insurance	1.475	0.137	1.338	90.7	14.730	15.984	(1.254)	(8.5)
Claims	0.058	0.000	0.058	100.0	0.578	1.351	(0.773)	*
Paratransit Service Contracts	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Maintenance and Other Operating Contracts	8.532	8.400	0.132	1.5	114.824	97.848	16.976	14.8
Professional Service Contracts	3.001	4.157	(1.156)	(38.5)	31.549	31.795	(0.246)	(0.8)
Materials & Supplies	10.138	6.227	3.911	38.6	101.573	78.144	23.429	23.1
Other Business Expenditures	4.265	4.591	(0.326)	(7.6)	46.187	45.832	0.355	0.8
Total Non-Labor	\$37.362	\$30.179	\$7.183	19.2	\$406.824	\$355.085	\$51.739	12.7
Other Adjustments:								
Other	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Post Employment Benefits	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Other Adjustments	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-
Total Expenditures	\$112.634	\$112.014	\$0.620	0.6	\$1,151.886	\$1,082.419	\$69.467	6.0
Net Cash Deficit (excludes Opening Cash Balance)	(\$42.497)	(\$47.002)	(\$4.505)	(10.6)	(\$303.558)	(\$231.631)	\$71.927	23.7
Subsidies								
MTA	36.560	43.741	7.181	19.6	224.700	170.304	(54.396)	(24.2)
CDOT	5.937	12.573	6.636	*	70.272	73.861	3.589	5.1
Total Subsidies	\$42.497	\$56.314	\$13.817	32.5	\$294.972	\$244.165	(\$50.807)	(17.2)
Cash Timing and Availability Adjustment	\$0.000	(\$14.362)	(\$14.362)	-	\$8.586	(12.534)	(\$21.120)	*

-- Results are preliminary and subject to audit review.
-- Differences are due to rounding.
* Variance exceeds 100%.

MTA METRO-NORTH RAILROAD
JULY FINANCIAL PLAN - 2012 MID-YEAR FORECAST
CASH RECEIPTS AND EXPENDITURES
EXPLANATION OF VARIANCE BETWEEN FORECAST AND ACTUAL RESULTS
(\$ in millions)

Generic Receipt or Expense Category	November, 2012			Year-To-Date as of November 30, 2012		
	Variance Fav (Unfav)		Reason for Variance	Variance Fav (Unfav)		Reason for Variance
	\$	%		\$	%	
FARE REVENUE	(6.809)	(13.0%)	Lower ridership due to the service interruption resulting from Tropical Storm Sandy as well as receipt timing differences.			
OTHER REVENUE	2.656	64.1%	Timing difference for GCT retail expense and higher advertising receipts.	5.868	8.7%	Higher advertising receipts, higher net GCT retail revenue due to timing differences in the payment of retail expenses, higher station revenue, and other miscellaneous revenues.
CAPITAL AND OTHER REIMBURSEMENTS:						
MTA	(4.520)	(57.6%)	Primarily due to receipt timing differences.	3.959	3.3%	Primarily payment of prior period bills.
CDOT	3.576	71.4%	Receipt timing difference.			
OTHER				6.677	56.4%	Primarily receipt timing differences.
PAYROLL	4.639	10.6%	Due to higher vacancies, lower capital project activity, and payment timing differences.	17.495	4.2%	Primarily due to higher vacancies, lower capital project activity, and timing difference in payroll tax payments.
OVERTIME	(1.547)	(22.5%)	Primarily due to Tropical Storm Sandy preparations, clean-up, and system restoration.			
HEALTH AND WELFARE	(6.866)	85.5%	Timing difference in payment for NYSHIP premiums.			
OPEB CURRENT PAYMENT	(1.293)	79.4%	Higher retiree health benefits payments.			
OTHER FRINGE BENEFITS	(1.519)	(18.3%)	Higher employee claim payments, partially offset by lower railroad retirement tax payments due to lower payroll costs.	5.338	5.5%	Lower employee claim payments for the period, as well as lower railroad retirement tax payments resulting from lower payroll costs.
ELECTRIC POWER	2.032	28.9%	Payment timing for for New Haven Line traction power as well as lower price.	6.982	9.7%	Primarily due to lower usage, and timing difference in payments. Also contributing to the favorable variance are lower non-traction power costs.
FUEL	1.194	41.9%	Primarily due to payments for New Haven fueling facility paid directly by CDOT, as well as other payment timing differences.	6.270	24.6%	Lower expenditures due to payments for New Haven fueling facility paid directly by CDOT, and payment timing for revenue and non-revenue fuel costs.
INSURANCE	1.338	90.7%	Payment timing difference for station liability, and automobile premiums.	(1.254)	(8.5%)	Primarily due to payment timing difference for force account insurance.
CLAIMS	0.058	100.0%	No cash payments in the month.	(0.773)	*	Higher claim payments for the period.

* Variance exceeds 100%

MTA METRO-NORTH RAILROAD
JULY FINANCIAL PLAN - 2012 MID-YEAR FORECAST
CASH RECEIPTS AND EXPENDITURES
EXPLANATION OF VARIANCE BETWEEN FORECAST AND ACTUAL RESULTS
(\$ in millions)

Generic Receipt or Expense Category	November, 2012			Year-To-Date as of November 30, 2012		
	Variance Fav (Unfav)		Reason for Variance	Variance Fav (Unfav)		Reason for Variance
	\$	%		\$	%	
MAINTENANCE & OTHER OPERATING CONTRACTS				16.976	14.8%	Payment timing difference for capital related projects, locomotive overhauls, and lower occupancy expenses, and other maintenance services.
PROFESSIONAL SERVICE CONTRACTS	(1.156)	(38.5%)	Payment timing for New Haven Line BSC services, partially offset by lower capital project activity and other miscellaneous payments.			
MATERIALS & SUPPLIES	3.911	38.6%	Lower purchases due to timing for capital projects, as well as non-capital purchases for propulsion, communication, and carbody material.	23.429	23.1%	Lower material purchases of rolling stock maintenance material as well as timing differences and scheduling changes in material purchases for capital projects.
OTHER BUSINESS EXPENSES	(0.326)	(7.6%)	Higher miscellaneous payments in the month.			
MTA SUBSIDY RECEIPTS	7.181	19.6%	Higher subsidy draw due to a higher net cash deficit, and the change in available bank balance, partially offset by higher CDOT subsidy payment (timing).	(54.396)	(24.2%)	Lower subsidy draw due to a lower net cash deficit, and higher CDOT subsidy payments, partially offset by the change in available bank balance.
CDOT SUBSIDY RECEIPTS	6.636	*	Higher subsidy due to payment timing (received two payments).	3.589	5.1%	Primarily due to payment timing.
TOTAL SUBSIDY RECEIPTS	13.817	32.5%		(50.807)	(17.2%)	

* Variance exceeds 100%

MTA METRO-NORTH RAILROAD
JULY FINANCIAL PLAN - 2012 MID-YEAR FORECAST
CASH CONVERSION (CASH FLOW ADJUSTMENT)
(\$ in millions)

	November 2012				Year-to-Date			
	Mid-Year Forecast	Actual	Favorable (Unfavorable)		Mid-Year Forecast	Actual	Favorable (Unfavorable)	
			Variance	Percent			Variance	Percent
Receipts								
Farebox Revenue	\$0.704	(\$0.998)	(\$1.702)	*	\$6.947	\$7.451	\$0.503	7.2
Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	(0.454)	1.958	2.412	*	24.677	26.354	1.677	6.8
Capital & Other Reimbursements:		0.000			0.000	0.000		
MTA	(1.957)	(1.952)	0.004	0.2	22.948	45.419	22.472	97.9
CDOT	0.258	4.571	4.313	*	17.670	19.613	1.943	11.0
Other	(0.023)	0.041	0.064	*	3.292	8.647	5.354	*
Total Capital and Other Reimbursements	(1.721)	2.660	4.381	*	43.910	73.679	29.769	67.8
Total Revenue/Receipts	(\$1.471)	\$3.620	\$5.091	*	\$75.534	\$107.483	\$31.949	42.3
Expenditures								
Labor:								
Payroll	(\$5.794)	(\$2.596)	\$3.198	55.2	(\$6.222)	\$5.847	\$12.069	*
Overtime	(0.262)	(1.243)	(0.981)	*	(2.170)	(0.414)	1.756	80.9
Health and Welfare	(0.066)	(7.213)	(7.148)	*	(8.832)	(13.911)	(5.079)	(57.5)
OPEB Current Payment	(0.133)	(1.287)	0.000		(1.361)	(1.328)	0.033	2.5
Pensions	0.476	0.291	(0.185)	(38.9)	18.853	17.581	(1.272)	(6.7)
Other Fringe Benefits	0.523	1.065	0.542	*	(4.251)	1.265	5.516	*
GASB Account	(0.729)	(0.729)	0.000	0.0	(8.019)	(8.019)	0.000	0.0
Reimbursable Overhead	(0.032)	(0.019)	0.013	39.3	(0.480)	(0.286)	0.195	40.5
Total Labor	(\$6.017)	(\$11.733)	(\$5.716)	(95.0)	(\$12.483)	\$0.736	\$13.218	*
Non-Labor:								
Electric Power	(\$0.637)	\$0.616	\$1.253	*	(\$1.110)	(\$0.292)	\$0.818	73.7
Fuel	(\$0.500)	\$0.642	\$1.142	*	(\$0.381)	\$6.255	\$6.636	*
Insurance	(0.195)	0.963	1.158	*	(0.447)	(2.479)	(2.033)	*
Claims	0.000	0.058	0.058	*	(0.156)	(0.743)	(0.586)	*
Paratransit Service Contracts	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Maintenance and Other Operating Contracts	1.343	(0.676)	(2.019)	*	(7.597)	(3.598)	3.999	52.6
Professional Service Contracts	(0.319)	(1.778)	(1.459)	*	0.008	(2.044)	(2.053)	*
Materials & Supplies	(1.147)	0.757	1.903	*	(9.496)	(5.640)	3.856	40.6
Other Business Expenses	(2.116)	(2.227)	(0.111)	(5.2)	(22.016)	(29.371)	(7.354)	(33.4)
Total Non-Labor	(\$3.572)	(\$1.646)	\$1.926	53.9	(\$41.195)	(\$37.912)	\$3.283	8.0
Other Adjustments:								
Other	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Other Adjustments	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-
Total Expenditures Adjustments before Non-Cash Liability Adj.	(\$9.589)	(\$13.379)	(\$3.790)	(39.5)	(\$53.678)	(\$37.176)	\$16.502	30.7
Depreciation	23.195	18.141	(5.054)	(21.8)	212.820	202.255	(10.564)	(5.0)
OPEB Obligation	5.000	3.282	(1.718)	34.4	54.997	56.633	1.636	(3.0)
Environmental Remediation	0.000	0.000	0.000	-	2.742	0.138	(2.604)	95.0
Total Expenditures Adjustments	\$18.606	\$6.044	(\$10.562)	(56.8)	\$216.881	\$221.850	\$4.970	2.3
Total Cash Conversion Adjustments	\$17.135	\$11.664	(\$5.470)	(31.9)	\$292.415	\$329.334	\$36.919	12.6

-- Results are preliminary and subject to audit review.
-- Differences are due to rounding.
* Variance exceeds 100%.

MTA METRO-NORTH RAILROAD
2012 July Financial Plan
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

NON-REIMBURSABLE OVERTIME	November						November Year-to-Date					
	Forecast		Actuals		Var. - Fav./Unfav)		Forecast		Actuals		Var. - Fav./Unfav)	
	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
<u>Scheduled Service</u> ¹	46,037	\$2.4	46,704	\$2.4	(666)	\$0.0	419,169	\$22.3	441,612	\$23.0	(22,444)	(\$0.8)
					-1.4%	0.2%					-5.4%	-3.4%
<u>Unscheduled Service</u>	0	\$0.0	0	\$0.0	0	\$0.0	0	\$0.0	0	\$0.0	0	\$0.0
					-	-					-	-
<u>Programmatic/Routine Maintenance</u>	21,287	\$0.9	21,421	\$1.0	(134)	(\$0.1)	218,177	\$9.5	188,138	\$8.8	30,039	\$0.7
					-0.6%	-7.2%					13.8%	7.3%
<u>Unscheduled Maintenance</u>	0	\$0.0	0	\$0.0	0	\$0.0	0	\$0.0	0	\$0.0	0	\$0.0
					-	-					-	-
<u>Vacancy/Absentee Coverage</u> ²	19,980	\$0.9	23,603	\$1.1	(3,623)	(\$0.2)	202,740	\$8.9	209,145	\$9.4	(6,405)	(\$0.5)
					-18.1%	-24.4%					-3.2%	-5.7%
<u>Weather Emergencies</u>	8,826	\$0.4	20,658	\$1.0	(11,831)	(\$0.6)	107,767	\$4.9	128,618	\$6.2	(20,850)	(\$1.2)
					*	*					-19.3%	-24.5%
<u>Safety/Security/Law Enforcement</u> ³	0	\$0.0	0	\$0.0	0	\$0.0	0	\$0.0	0	\$0.0	0	\$0.0
					-	-					-	-
<u>Other</u> ⁴	18,402	\$0.8	16,479	\$0.8	1,923	\$0.0	54,416	\$2.3	51,009	\$2.3	3,407	(\$0.0)
					10.5%	2.6%					6.3%	-1.9%
Subtotal	114,532	\$5.4	128,864	\$6.2	(14,332)	(\$0.8)	1,002,269	\$47.9	1,018,522	\$49.7	(16,253)	(\$1.8)
					-12.5%	-15.6%					-1.6%	-3.8%
REIMBURSABLE OVERTIME	21,498	\$1.2	19,564	\$1.0	1,935	\$0.3	300,633	\$15.7	343,175	\$16.9	(42,542)	(\$1.2)
					9.0%	22.4%					-14.2%	-7.6%
TOTAL OVERTIME	136,030	\$6.6	148,428	\$7.2	(12,398)	(\$0.6)	1,302,902	\$63.6	1,361,697	\$66.6	(58,795)	(\$3.0)
					-9.1%	-8.5%					-4.5%	-4.7%

Totals may not add due to rounding.

NOTE: Percentages are based on each type of Overtime and not on Total Overtime.

* Exceeds 100%

¹ Includes Service Delay and Tour Length related overtime.

² Excludes T&E crew coverage (included in Direct Service category)

³ Not Applicable

⁴ Reflects overtime for Customer Service and Material Management Depts as well as other administrative functions. Also reflects timing differences related to payroll and calendar cutoff dates.

MTA METRO-NORTH RAILROAD
2012 July Financial Plan
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

Page 89

	(\$ in millions)					
	November			November Year-to-Date		
	Var. - Fav./(Unfav)		Explanations	Var. - Fav./(Unfav)		Explanations
Hours	\$	Hours		\$		
NON-REIMBURSABLE OVERTIME						
Scheduled Service ¹	(666)	\$0.0		(22,444)	(\$0.8)	Primarily coverage for train service vacancies to ensure sufficient staffing levels to meet revenue collection requirements.
	-1.4%	0.2%		-5.4%	-3.4%	
Unscheduled Service	0	\$0.0		0	\$0.0	
	-	-		-	-	
Programmatic/Routine Maintenance	(134)	(\$0.1)		30,039	\$0.7	Better than anticipated rolling stock performance resulted in lower overtime requirements for car fleet maintenance (fewer traction motor failures due to a modification to component parts, change in maintenance cycle for older NHL car fleet and mild winter). Also, fewer right-of-way maintenance needs led to favorable results.
	-0.6%	-7.2%		13.8%	7.3%	
Unscheduled Maintenance	0	\$0.0		0	\$0.0	
	-	-		-	-	
Vacancy/Absentee Coverage ²	(3,623)	(\$0.2)		(6,405)	(\$0.5)	
	-18.1%	-24.4%		-3.2%	-5.7%	
Weather Emergencies	(11,831)	(\$0.6)	Protection and other coverage for Hurricane Sandy.	(20,850)	(\$1.2)	Protection and other coverage for Hurricane Sandy.
	-	-		-19.3%	-24.5%	
Safety/Security/Law Enforcement ³	0	\$0.0		0	\$0.0	
	-	-		-	-	
Other ⁴	1,923	\$0.0	Reflects timing differences related to payroll and calendar cutoff dates.	3,407	(\$0.0)	Higher overtime due to ticket seller and customer service representative vacancies. Also reflects timing differences related to payroll and calendar cutoff dates.
	10.5%	2.6%		6.3%	-1.9%	
Subtotal	(14,332)	(\$0.8)		(16,253)	(\$1.8)	
	-12.5%	-15.6%		-1.6%	-3.8%	
REIMBURSABLE OVERTIME	1,935	\$0.3		(42,542)	(\$1.2)	Higher activity on the Waterbury branch line rail replacement project, on the Danbury branch line signal system project, and on the West Haven Station project to return track 3 to service. Also, higher activity on the East Side Access project due to track
	9.0%	22.4%		-14.2%	-7.6%	
TOTAL OVERTIME	(12,398)	(\$0.6)		(58,795)	(\$3.0)	

NOTE: Percentages are based on each type of Overtime and not on Total Overtime.

* Exceeds 100%

¹ Includes Service Delay and Tour Length related overtime..

² Excludes T&E crew coverage (included in Direct Service category)

³ Not Applicable

⁴ Reflects overtime for Customer Service and Material Management Depts. as well as other administrative functions. Also reflects timing differences related to payroll and calendar cutoff dates.

MTA METRO-NORTH RAILROAD
2012 Overtime Report
Overtime Legend

REVISED OVERTIME DECOMPOSITION LEGEND DEFINITIONS

<u>Type</u>	<u>Definition</u>
<i>Scheduled Service</i>	Crew book/Regular Run/Shift hours (above 8 hours) required by train crews, bus/tower/block operators, transportation supervisors/dispatchers, fare sales and collection, Train & Engineers, as well as non-transportation workers whose work is directly related to providing service (includes coverage for holidays).
<i>Unscheduled Service</i>	Service coverage resulting from extraordinary events not related to weather, such as injuries, mechanical breakdowns, unusual traffic, tour length, late tour relief, and other requirements that arise that are non-absence related.
<i>Programmatic/Routine Maintenance</i>	<i>Program Maintenance</i> work for which overtime is planned (e.g. Railroad Tie Replacement, Sperry Rail Testing, Running Board Replacement Programs). This also includes <i>Routine Maintenance</i> work for which OT has been planned, as well as all other maintenance <u>not resulting from extraordinary events</u> , including running repairs. Program/Routine maintenance work is usually performed during hours that are deemed more practical in order to minimize service disruptions, and includes contractual scheduled pay over 8 hours.
<i>Unscheduled Maintenance</i>	Resulting from an <u>extraordinary event</u> (not weather-related) requiring the use of unplanned maintenance to perform repairs on trains, buses, subway and bus stations, depots, tracks and administrative and other facilities, including derailments, tour length and weekend coverage.
<i>Vacancy/Absentee Coverage</i>	Provides coverage for an absent employee or a vacant position.
<i>Weather Emergencies</i>	Coverage necessitated by extreme weather conditions (e.g. snow, flooding, hurricane, and tornadoes), as well as preparatory and residual costs.
<i>Safety/Security/Law Enforcement</i>	Coverage required to provide additional customer & employee protection and to secure MTA fleet facilities, transportation routes, and security training.
<i>Other</i>	Includes overtime coverage for clerical, administrative positions that are eligible for overtime.
<i>Reimbursable Overtime</i>	Overtime incurred to support projects that are reimbursed from the MTA Capital Program and other funding sources.

MTA METRO-NORTH RAILROAD
2012 MID YEAR FORECAST VS. ACTUALS
TOTAL FULL-TIME POSITIONS AND FULL-TIME EQUIVALENTS
November 30, 2012

<u>Department</u>	<u>2012 Mid Year Forecast</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Administration			
President	3	3	-
Labor Relations	9	7	2
Safety	18	17	1
COS/Corporate & Public Affairs	16	16	0
Legal	18	16	2
Claims Services	13	13	0
Environmental Compliance & Svce	7	7	-
VP Administration	3	3	-
VP Human Resources	4	3	1
Human Resources	24	23	1
Training	50	45	5
Employee Relations & Diversity	4	2	2
VP Planning	2	2	-
Operations Planning & Analysis	16	16	0
Capital Planning & Programming	10	13	(3)
Business Development, Facilities & Mktg (4)	21	22	(1)
Long Range Planning	7	7	-
VP Finance & Information Systems	2	1	1
Controller	78	78	0
Information Technology & Project Mgmt	100	83	17
Budget	20	14	6
Customer Service (2) (3)	42	40	2
Procurement & Material Mgmt (5)	33	36	(3)
Total Administration	500	467	33
Operations			
Operations Administration	49	48	1
Operations Services	1,764	1,727	37
Customer Service (2) (3)	227	220	7
Business Development, Facilities & Mktg (4)	36	31	7
Metro-North West	27	29	(2)
Total Operations	2,105	2,055	50
Maintenance			
GCT	368	356	12
Maintenance of Equipment	1,318	1,255	63
Maintenance of Way	1,730	1,628	102
Procurement & Material Mgmt (5)	120	115	5
Total Maintenance	3,536	3,354	182
Engineering/Capital			
Construction Management	37	33	4
Engineering & Design	54	56	(2)
Total Engineering/Capital	91	89	2
Total Positions	6,232	5,965	267
Non-Reimbursable	5,622	5,592	30
Reimbursable	610	373	237
Total Full-Time	6,231	5,964	267
Total Full-Time-Equivalents (of part-time positions)	1	1	-

(2) Includes 2 part-time positions equal to 1 FTE.

(3) Customer Service positions includes administrative positions for Customer Info. Center and operations positions for Ticket Selling & Station Cleaning functions.

(4) Business Development, Facilities and Marketing includes administrative positions and operations positions for Commissary services.

(5) Procurement & Material Management positions includes maintenance positions for material distribution/storeroom functions and administrative positions for Contracts Mgmt, Purchasing, and Procurement Administration functions.

MTA METRO-NORTH RAILROAD
2012 MID YEAR FORECAST VS. ACTUALS
TOTAL FULL-TIME POSITIONS AND FULL-TIME EQUIVALENTS
November 30, 2012

FUNCTION/OCCUPATION	2012 Mid Year Forecast	Actual	Favorable (Unfavorable) Variance
Administration (1)			
Managers/Supervisors	57	61	(4)
Professional, Technical, Clerical	443	406	37
Operational Hourlies	-	-	-
Total Administration	500	467	33
Operations (1)			
Managers/Supervisors	30	27	3
Professional, Technical, Clerical	479	468	11
Operational Hourlies	1,596	1,560	36
Total Operations	2,105	2,055	50
Maintenance (1)			
Managers/Supervisors	57	49	8
Professional, Technical, Clerical	1,016	967	49
Operational Hourlies	2,463	2,338	125
Total Maintenance	3,536	3,354	182
Engineering/Capital			
Managers/Supervisors	27	27	-
Professional, Technical, Clerical	64	62	2
Operational Hourlies	-	-	-
Total Engineering/Capital	91	89	2
Public Safety			
Managers/Supervisors	-	-	-
Professional, Technical, Clerical	-	-	-
Operational Hourlies	-	-	-
Total Public Safety	-	-	-
Total Positions			
Managers/Supervisors	171	164	7
Professional, Technical, Clerical	2,002	1,903	99
Operational Hourlies	4,059	3,898	161
Total Positions	6,232	5,965	267

Notes

(1) Reflects allocation of Customer Service, Business Development and Procurement & Material Management functions between Administration, Operations and Maintenance categories.

Totals may differ due to rounding.

**MTA METRO-NORTH RAILROAD
2012 MID YEAR FORECAST VS. ACTUALS**

November 30, 2012

Agency-wide (Non-Reimbursable and Reimbursable)	2012 Mid Year Forecast	Actual	Favorable (Unfavorable) Variance	Explanation of Variances
<i>Functional Classification:</i>				
Operations (1)	2,105	2,055	50	Reflects vacancies in operation services staffing (RTCs, Operations Managers, Car Cleaners, and T&E positions)
Maintenance (1)	3,536	3,354	182	Reflects vacancies in Maintenance of Way positions (trackmen, vehicle & machine operators, signalman and maintainers, electricians, and building maintenance forces) and Maintenance of Equipment carmen and electricians.
Administration (1)	500	467	33	Reflects timing differences in hiring Training staff and IT personnel.
Engineering / Capital	91	89	2	
Total Agency-wide Headcount	6,232	5,965	267	
Non-Reimbursable	5,622	5,592	30	
Reimbursable	610	373	237	

Notes

(1) Reflects allocation of Customer Service, Business Development and Procurement & Material Management functions between Administration, Operations and Maintenance categories.

MTA METRO-NORTH RAILROAD
MID-YEAR FORECAST AND NOVEMBER FORECAST vs. ACTUAL RESULTS (NON-REIMBURSABLE)
NOVEMBER 2012 YEAR-TO-DATE
(\$ in millions)

	<u>November Year-to-Date</u>			<u>Favorable(Unfavorable) Variance</u>			
	<u>Mid-Year Forecast</u>	<u>November Forecast</u>	<u>Actual</u>	<u>Mid-Year Forecast</u>		<u>November Forecast</u>	
	\$	\$	\$	\$	%	\$	%
Total Revenue	589.1	590.4	583.3	(5.8)	(1.0)	(7.0)	(1.2)
Total Expenses before Non-Cash Liability Adjs	914.5	894.5	885.3	29.3	3.2	9.2	1.0
Depreciation	212.8	207.0	202.3	10.6	5.0	4.8	2.3
OPEB Obligation	55.0	62.3	56.6	(1.6)	(3.0)	5.7	9.2
Environmental Remediation	2.7	1.3	0.1	2.6	95.0	1.2	89.3
Total Expenses	1,185.1	1,165.1	1,144.3	40.8	3.4	20.8	1.8
Net Surplus/(Deficit)	(596.0)	(574.7)	(561.0)	35.0	5.9	13.8	2.4

Note: Totals may not add due to rounding

MTA METRO-NORTH RAILROAD
EXPLANATION OF VARIANCES BETWEEN NOVEMBER FORECAST AND ACTUAL RESULTS
NON-REIMBURSABLE
NOVEMBER 2012 YEAR-TO-DATE
(\$ in millions)

	<u>Favorable/(Unfavorable)</u>		<u>Variance Explanation</u>
	<u>Variance</u>	<u>Percent</u>	
Total Revenue	(\$7.0)	(1.2)	November YTD Passenger revenue is \$7.0m lower than November Forecast. Most of this reduction results from lost ridership during and after Tropical Storm Sandy.
Total Expenses	\$20.8	1.8	November YTD Expenses were \$20.8m favorable vs. the November Forecast due to lower Electric Power costs, Contract services (IT, Facility and Shop Maintenance, Environmental Remediation), Material usage (Propulsion and Carbody), miscellaneous Business Expenses and the OPEB Obligation accrual.

NOTE: Mid-Year Forecast vs. Actual Variance explanations are provided in the monthly report to the Finance Committee

MTA METRO-NORTH RAILROAD
JULY FINANCIAL PLAN - 2012 MID-YEAR FORECAST
UTILIZATION
(in millions)

	Month of November		Variance		Year-to-Date November		Variance	
	Forecast	Actual	Fav (Unfav) Amount	%	Forecast	Actual	Fav (Unfav) Amount	%
<u>Farebox Revenue</u>								
Harlem Line	\$15.181	\$14.107	(\$1.074)	-7.1	\$161.723	\$159.840	(\$1.884)	-1.2
Hudson Line	\$11.196	\$10.091	(\$1.105)	-9.9	\$118.501	\$116.878	(\$1.623)	-1.4
New Haven Line	\$25.363	\$22.451	(\$2.912)	-11.5	\$265.374	\$258.951	(\$6.423)	-2.4
Total Farebox Revenue	\$51.741	\$46.649 ⁽¹⁾	(\$5.092)	-9.8	\$545.599	\$535.669 ⁽¹⁾	(\$9.930)	-1.8
<u>Ridership</u>								
Harlem Line	2.297	2.069	(0.228)	-9.9	24.931	24.394	(0.537)	-2.2
Hudson Line	1.357	1.190	(0.167)	-12.3	14.869	14.531	(0.338)	-2.3
New Haven Line	3.406	2.953	(0.453)	-13.3	36.798	35.515	(1.283)	-3.5
Total Ridership East of Hudson	7.059	6.212	(0.847)	-12.0	76.598	74.440 ⁽²⁾	(2.158)	-2.8
West of Hudson	0.153	0.071	(0.082)	-53.4	1.646	1.504 ⁽²⁾	(0.142)	-8.6
Total Ridership	7.212	6.283	(0.929)	-12.9	78.244	75.944	(2.300)	-2.9

(1) Excludes West of Hudson Mail & Ride revenue of \$0.034 million for the month and \$0.499 million year-to-date. Actuals also include \$6.6 million in lower revenue from Tropical Storm Sandy ridership losses.

(2) Includes estimated loss of 1.5 million rides East of Hudson, 51 thousand rides West of Hudson due to Tropical Storm Sandy.

The November ridership figures do not include approximately 90,000 free rides taken on Thursday, November 1 and Friday, November 2 due to the MTA-Wide Transportation Emergency order from Governor Cuomo, which otherwise would have been taken using one-way or ten-trip tickets.

East of Hudson:

Through November, East of Hudson ridership year-to-date was 74.4 million, 2.8% lower than the Mid-Year Forecast due to the impact of Tropical Storm Sandy and slower than projected ridership growth. For the month, ridership of 6.2 million was 12.0% lower than projected, also due to November ridership losses from Tropical Storm Sandy. Compared to 2011, November year-to-date ridership was 1.2% higher and the month was 9.3% lower.

Commutation ridership was 10.9% lower for the month and 2.7% lower year-to-date vs. the Mid-Year Forecast due to Tropical Storm Sandy. Compared to 2011, November year-to-date commutation ridership was 0.1% lower. Non-commutation ridership was 3.0% below the forecast year-to-date, but 2.9% higher than 2011. For the month, non-commutation ridership was 13.4% lower than forecast and 9.7% worse than 2011.

West of Hudson:

West of Hudson ridership was 53.4% lower for the month and 8.6% lower year-to-date versus the 2012 Mid-Year Forecast extensively due to the effects of Tropical Storm Sandy and to a lesser effect a slower than projected recovery of ridership losses following the three month suspension of Port Jervis Line service in 2011.

MTA METRO-NORTH RAILROAD
JULY FINANCIAL PLAN - 2012 MID-YEAR FORECAST
MONTHLY PERFORMANCE INDICATORS *
NOVEMBER 2012

	MONTH			VARIANCE	
	2012	FORECAST	2011	FORECAST	2011
Farebox Operating Ratio					
Standard ⁽¹⁾	54.0%	60.1%	57.9%	-6.1%	-3.9%
Adjusted ⁽²⁾	61.1%	66.8%	66.2%	-5.7%	-5.1%
Cost per Passenger					
Standard ⁽¹⁾	\$14.08	\$12.36	\$12.60	(\$1.72)	(\$1.48)
Adjusted ⁽²⁾	\$13.87	\$12.19	\$12.48	(\$1.68)	(\$1.39)
Passenger Revenue/Passenger ⁽³⁾	\$7.61	\$7.42	\$7.29	\$0.19	\$0.32
	YEAR-TO-DATE			VARIANCE	
	2012	FORECAST	2011	FORECAST	2011
Farebox Operating Ratio					
Standard ⁽¹⁾	62.0%	60.8%	60.3%	1.2%	1.7%
Adjusted ⁽²⁾	69.1%	67.1%	67.8%	2.0%	1.3%
Cost per Passenger					
Standard ⁽¹⁾	\$11.76	\$11.87	\$11.84	\$0.11	\$0.08
Adjusted ⁽²⁾	\$11.57	\$11.70	\$11.72	\$0.13	\$0.15
Passenger Revenue/Passenger ⁽³⁾	\$7.29	\$7.21	\$7.14	\$0.08	\$0.15

(1) Standard Farebox Operating Ratio and Cost Per Passenger indicators reflect MTA-wide adopted calculations that exclude non-cash liability adjustments: Depreciation, Other Post Employment Benefits, Environmental Remediation (GASB-49), and the NHL share of MTA Police and Business Service Center costs.

(2) Adjusted Fare Operating Ratio and Cost Per Passenger indicators have been adjusted for comparability between Metro-North and the LIRR and are being presented only at the railroad operating committees. These adjustments are not being used MTA-wide. Adjustments have been made to reflect all operating revenues and significant financial impacts that are outside management's control. These adjustments include: Inclusion of Other Operating Revenue, Removal of OPEB retiree expenses, and Inclusion of estimated farebox revenue from an equalization of the Connecticut fare structure.

(3) Includes Bar Car Services.

* Includes East and West of Hudson revenues and expenses.



Metro-North Railroad

Ridership Report

January 2013

MTA METRO-NORTH RAILROAD

MONTHLY RIDERSHIP REPORT

NOVEMBER 2012

Operations Planning & Analysis Department
January, 2013

NOVEMBER 2012 RIDERSHIP REPORT MTA METRO-NORTH RAILROAD

EXECUTIVE SUMMARY

November

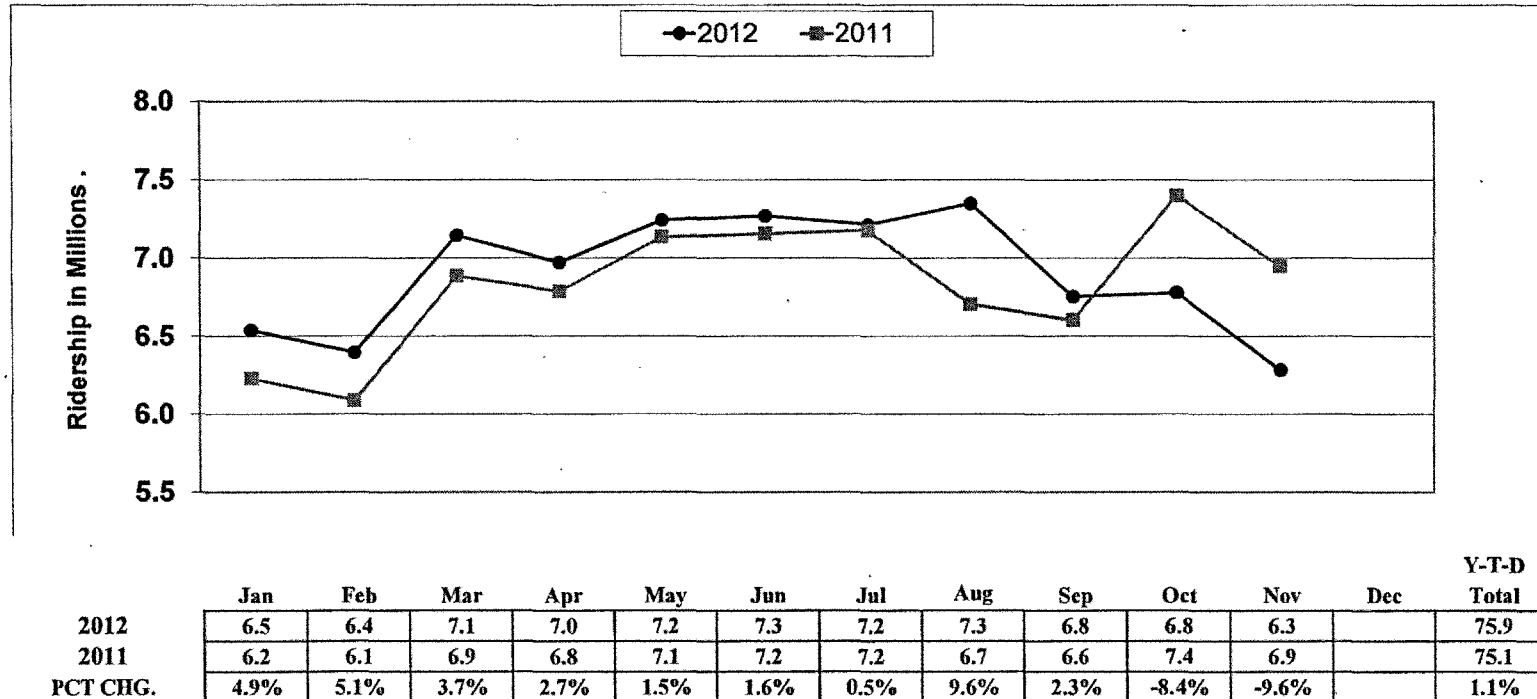
- November 2012 **Total MNR System Ridership** was 6.327 million vs. 6.996 million in November 2011, a decrease of 668,669 passengers (-9.6%).
- November 2012 ridership was adversely impacted by Hurricane Sandy which resulted in limited service on November 1-2, including free rides which were not included in reported totals.
- November 2012 **Total Rail Ridership** was 6.283 million vs. 6.948 million in November 2011, a decrease of 664,946 passengers (-9.6%).
 - **Rail Commutation Ridership** was -9.4% vs. 2011
 - **Rail Non-commutation Ridership** was -9.8% vs. 2011
- November 2012 **East of Hudson Ridership** was 6.212 million vs. 6.851 million in November 2011, a decrease of 639,292 passengers (-9.3%).
- November 2012 **West of Hudson Ridership** was 0.071 million vs. 0.097 million in November 2011, a decrease of 25,654 passengers (-26.4%).
- November 2012 **Connecting Services Ridership** was 0.044 million vs. 0.048 million in November 2011, a decrease of 3,723 passengers (-7.8%).
- November 2012 **Rail Revenue** was \$47.2 million vs. \$50.1 million in November 2011, a decrease of \$2,842,195 (-5.7%).

Year To Date

- 2012 YTD **Total MNR System Ridership** was 1.1% above '11 and 2.9% below forecast.
- 2012 YTD **Total Rail Ridership** was 1.1% above '11 and 2.9% below forecast.
- 2012 YTD **East of Hudson Ridership** was 1.2% above '11 and 2.8% below forecast.
- 2012 YTD **West of Hudson ridership** was 2.9% below '11 and 8.6% below forecast.
- 2012 YTD **Connecting Services Ridership** was 1.0% below '11 and 1.9% below forecast.
- 2012 YTD **Rail Revenue** was 3.8% above '11 and 2.1% below forecast.

NOVEMBER RAIL RIDERSHIP⁽¹⁾

- NOVEMBER's Total Rail Ridership was 9.6% below 2011 and 12.9% below forecast.



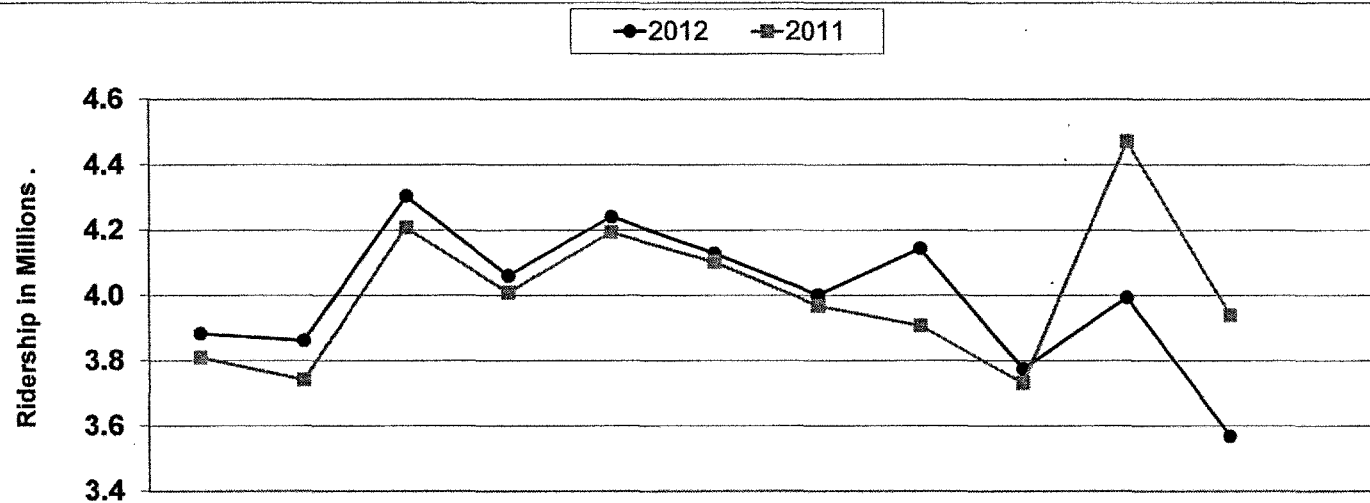
1) Includes East and West of Hudson.

2) October 2012 ridership was adversely impacted by Hurricane Sandy which resulted in an MTA-wide suspension of service from October 29-31.

3) November 2012 ridership was adversely impacted by Hurricane Sandy which resulted in limited service on November 1-2, including free rides which were not included in reported totals.

NOVEMBER RAIL COMMUTATION RIDERSHIP ⁽¹⁾

- NOVEMBER's Rail Commutation Ridership was 9.4% below 2011 and 11.8% below forecast.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D Total
2012	3.9	3.9	4.3	4.1	4.2	4.1	4.0	4.1	3.8	4.0	3.6		44.0
2011	3.8	3.7	4.2	4.0	4.2	4.1	4.0	3.9	3.7	4.5	3.9		44.1
PCT CHG.	1.9%	3.2%	2.3%	1.3%	1.1%	0.6%	0.8%	6.0%	1.2%	-10.7%	-9.4%		-0.3%

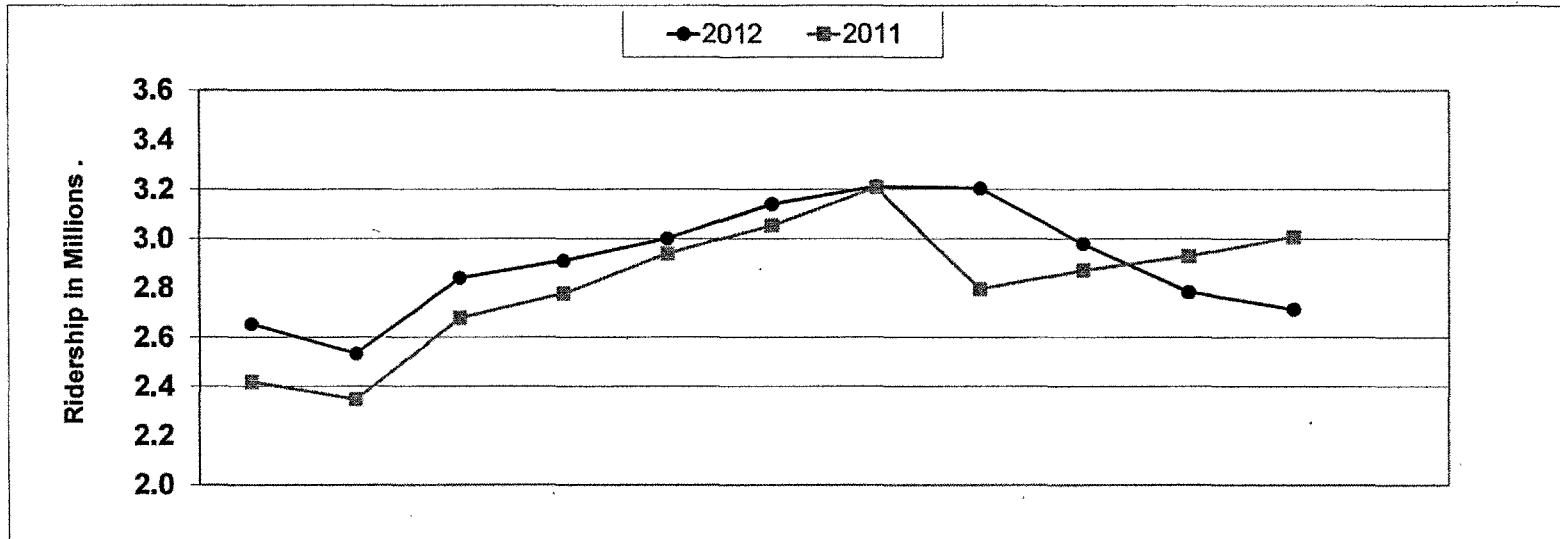
1) Includes East and West of Hudson.

2) October 2012 ridership was adversely impacted by Hurricane Sandy which resulted in an MTA-wide suspension of service from October 29-31.

3) November 2012 ridership was adversely impacted by Hurricane Sandy which resulted in limited service on November 1-2, including free rides which were not included in reported totals

NOVEMBER RAIL NON-COMMUTATION RIDERSHIP ⁽¹⁾

- NOVEMBER's Rail Non-Commutation Ridership was 9.8% below 2011 and 14.3% below forecast.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D Total
2012	2.7	2.5	2.8	2.9	3.0	3.1	3.2	3.2	3.0	2.8	2.7		32.0
2011	2.4	2.3	2.7	2.8	2.9	3.1	3.2	2.8	2.9	2.9	3.0		31.0
PCT CHG.	9.7%	8.0%	6.1%	4.8%	2.1%	2.9%	0.1%	14.6%	3.7%	-5.0%	-9.8%		3.0%

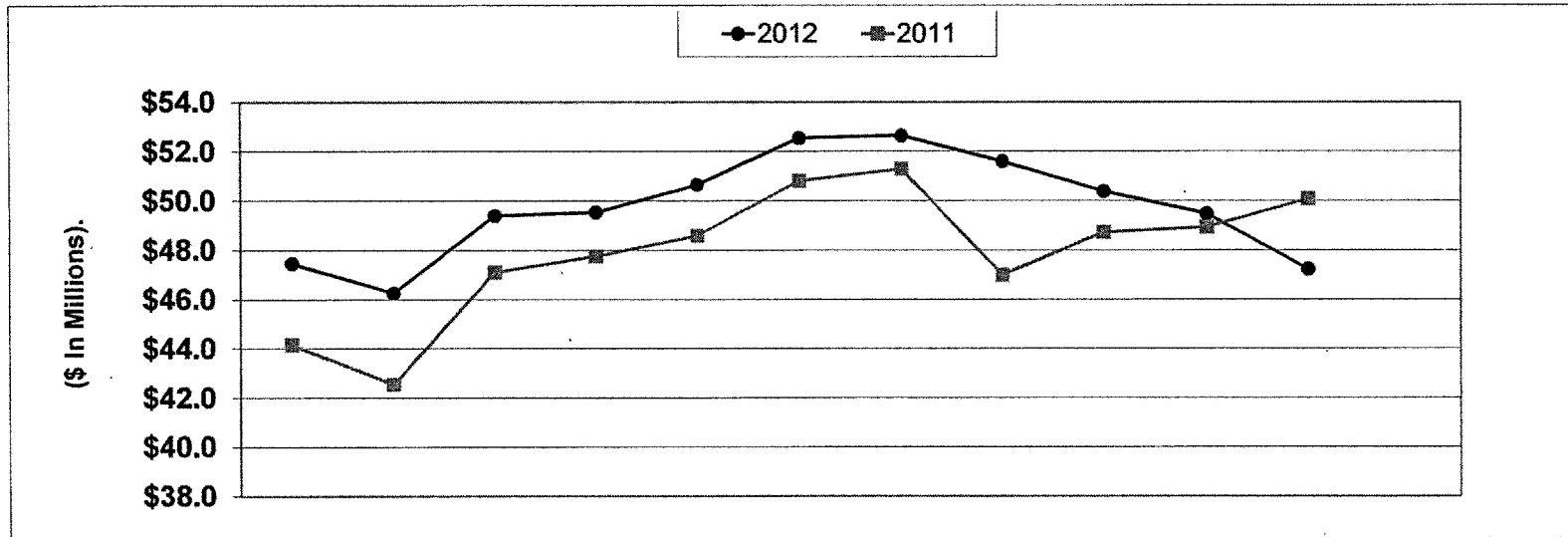
1) Includes East and West of Hudson.

2) October 2012 ridership was adversely impacted by Hurricane Sandy which resulted in an MTA-wide suspension of service from October 29-31.

3) November 2012 ridership was adversely impacted by Hurricane Sandy which resulted in limited service on November 1-2, including free rides which were not included in reported totals

NOVEMBER RAIL REVENUE⁽¹⁾

- NOVEMBER's Total Rail Revenue was 5.7% below 2011 and 10.9% below forecast.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D Total
2012	\$47.5	\$46.3	\$49.4	\$49.5	\$50.7	\$52.5	\$52.6	\$51.6	\$50.4	\$49.5	\$47.2		\$547.2
2011	\$44.2	\$42.6	\$47.1	\$47.8	\$48.6	\$50.8	\$51.3	\$47.0	\$48.7	\$48.9	\$50.1		\$527.0
PCT CHG.	7.5%	8.7%	4.9%	3.7%	4.3%	3.4%	2.6%	9.8%	3.4%	1.1%	-5.7%		3.8%

1) Includes East and West of Hudson.

2) October 2012 ridership was adversely impacted by Hurricane Sandy which resulted in an MTA-wide suspension of service from October 29-31.

3) November 2012 revenue was adversely impacted by Hurricane Sandy which resulted in limited service on November 1-2, including free rides which were not included in reported totals.

MTA METRO-NORTH RAILROAD

RIDERSHIP SUMMARY

NOVEMBER 2012

TICKET TYPE/SERVICE	NOVEMBER 2012	NOVEMBER 2011 (1)	CHANGE VS. 2011	
			AMOUNT	PERCENT
RAIL COMMUTATION RIDERSHIP				
East of Hudson	3,527,137	3,878,284	(351,147)	-9.1%
West of Hudson	41,515	61,680	(20,165)	-32.7%
Total Rail Commutation Ridership	3,568,652	3,939,964	(371,312)	-9.4%
RAIL NON-COMMUTATION RIDERSHIP				
East of Hudson	2,684,651	2,972,796	(288,145)	-9.7%
West of Hudson	29,899	35,388	(5,489)	-15.5%
Total Rail Non-Commutation Ridership	2,714,550	3,008,184	(293,634)	-9.8%
TOTAL RAIL RIDERSHIP				
East of Hudson	6,211,788	6,851,080	(639,292)	-9.3%
West of Hudson	71,414	97,068	(25,654)	-26.4%
TOTAL RAIL RIDERSHIP	6,283,202	6,948,148	(664,946)	-9.6%
CONNECTING SERVICES RIDERSHIP (3)	43,807	47,530	(3,723)	-7.8%
TOTAL MNR SYSTEM RIDERSHIP	6,327,009	6,995,678	(668,669)	-9.6%

Notes:

- 1) 2011 ridership figures have been restated to eliminate calendar impacts on ridership.
- 2) November 2012 ridership was adversely impacted by Hurricane Sandy which resulted in limited service on November 1-2, including free rides which were not included in reported totals.
- 3) Includes Hudson Rail Link, Haverstraw-Ossining Ferry and Newburgh-Beacon Ferry.

MTA METRO-NORTH RAILROAD RIDERSHIP SUMMARY 2012 YEAR-TO-DATE

TICKET TYPE/SERVICE	2012 YTD	2011 YTD (1)	CHANGE VS. 2011	
			AMOUNT	PERCENT
RAIL COMMUTATION RIDERSHIP (2)				
East of Hudson	43,071,158	43,099,156	(27,998)	-0.1%
West of Hudson	895,561	988,742	(93,181)	-9.4%
Total Rail Commutation Ridership	43,966,719	44,087,898	(121,179)	-0.3%
RAIL NON-COMMUTATION RIDERSHIP				
East of Hudson	31,369,009	30,472,056	896,953	2.9%
West of Hudson	608,288	559,354	48,934	8.7%
Total Rail Non-Commutation Ridership	31,977,297	31,031,410	945,887	3.0%
TOTAL RAIL RIDERSHIP				
East of Hudson	74,440,167	73,571,212	868,955	1.2%
West of Hudson	1,503,849	1,548,096	(44,247)	-2.9%
TOTAL RAIL RIDERSHIP	75,944,016	75,119,308	824,708	1.1%
CONNECTING SERVICES RIDERSHIP (3)	510,472	515,718	(5,246)	-1.0%
TOTAL MNR SYSTEM RIDERSHIP	76,454,488	75,635,026	819,462	1.1%

Notes:

1) 2011 ridership figures have been restated to eliminate calendar impacts on ridership.

2) November 2012 ridership was adversely impacted by Hurricane Sandy which resulted in limited service on November 1-2, including free rides which were not included in reported totals

3) Includes Hudson Rail Link, Haverstraw-Ossining Ferry and Newburgh-Beacon Ferry.

**MTA METRO-NORTH RAILROAD
RIDERSHIP BY LINE
NOVEMBER 2012**

LINE	NOVEMBER 2012 ACTUAL	NOVEMBER 2012 MID-YEAR	VARIANCE VS. MID-YEAR		NOVEMBER 2011 RESTATED (1)	CHANGE FROM 2011	
			AMOUNT	PERCENT		AMOUNT	PERCENT
EAST OF HUDSON							
Harlem Line	2,068,664	2,296,504	(227,840)	-9.9%	2,247,235	(178,571)	-7.9%
Hudson Line	1,190,123	1,356,713	(166,590)	-12.3%	1,332,263	(142,140)	-10.7%
New Haven Line	2,953,001	3,405,538	(452,537)	-13.3%	3,271,582	(318,581)	-9.7%
Total East of Hudson	6,211,788	7,058,755	(846,967)	-12.0%	6,851,080	(639,292)	-9.3%
WEST OF HUDSON							
Port Jervis Line	47,613	100,033	(52,420)	-52.4%	46,692	921	2.0%
Pascack Valley Line	23,801	53,177	(29,376)	-55.2%	50,376	(26,575)	-52.8%
Total West of Hudson	71,414	153,210	(81,796)	-53.4%	97,068	(25,654)	-26.4%
TOTAL RAIL RIDERSHIP							
	6,283,202	7,211,965	(928,763)	-12.9%	6,948,148	(664,946)	-9.6%
CONNECTING SERVICES PROVIDED BY METRO-NORTH CONTRACTORS							
Hudson Rail Link	27,989	28,393	(404)	-1.4%	29,966	(1,977)	-6.6%
Haverstraw-Ossining Ferry	9,577	9,869	(292)	-3.0%	9,674	(97)	-1.0%
Newburgh-Beacon Ferry	6,241	7,051	(810)	-11.5%	7,890	(1,649)	-20.9%
Total Connecting Services	43,807	45,313	(1,506)	-3.3%	47,530	(3,723)	-7.8%
TOTAL MNR SYSTEM							
	6,327,009	7,257,278	(930,269)	-12.8%	6,995,678	(668,669)	-9.6%

Notes:

1) 2011 ridership figures have been restated to eliminate calendar impacts on ridership.

2) November 2012 ridership was adversely impacted by Hurricane Sandy which resulted in limited service on November 1-2, including free rides which were not included in the reported totals.

**MTA METRO-NORTH RAILROAD
RIDERSHIP BY LINE
2012 YEAR-TO-DATE**

TICKET TYPE/SERVICE	2012 YTD ACTUAL	2012 YTD MID-YEAR	VARIANCE VS. MID-YEAR		2011 YTD RESTATE ⁽¹⁾	CHANGE FROM 2011	
			AMOUNT	PERCENT		AMOUNT	PERCENT
EAST OF HUDSON							
Harlem Line	24,393,583	24,930,963	(537,380)	-2.2%	24,157,701	235,882	1.0%
Hudson Line	14,531,379	14,869,148	(337,769)	-2.3%	14,464,783	66,596	0.5%
New Haven Line	35,515,205	36,797,854	(1,282,649)	-3.5%	34,948,728	566,477	1.6%
Total East of Hudson	74,440,167	76,597,965	(2,157,798)	-2.8%	73,571,212	868,955	1.2%
WEST OF HUDSON							
Port Jervis Line	951,832	1,075,277	(123,445)	-11.5%	1,012,177	(60,345)	-6.0%
Pascack Valley Line	552,017	570,526	(18,509)	-3.2%	535,919	16,098	3.0%
Total West of Hudson	1,503,849	1,645,803	(141,954)	-8.6%	1,548,096	(44,247)	-2.9%
TOTAL RAIL RIDERSHIP	75,944,016	78,243,768	(2,299,752)	-2.9%	75,119,308	824,708	1.1%
CONNECTING SERVICES PROVIDED BY METRO-NORTH CONTRACTORS							
Hudson Rail Link	323,525	323,568	(43)	0.0%	337,269	(13,744)	-4.1%
Haverstraw-Ossining Ferry	113,203	114,724	(1,521)	-1.3%	106,474	6,729	6.3%
Newburgh-Beacon Ferry	73,744	81,910	(8,166)	-10.0%	71,975	1,769	2.5%
Total Connecting Services	510,472	520,202	(9,730)	-1.9%	515,718	(5,246)	-1.0%
TOTAL MNR SYSTEM	76,454,488	78,763,970	(2,309,482)	-2.9%	75,635,026	819,462	1.1%

Notes:

1) 2011 ridership figures have been restated to eliminate calendar impacts on ridership.

2) November 2012 ridership was adversely impacted by Hurricane Sandy which resulted in limited service on November 1-2, including free rides which were not included in the reported totals.



Metro-North Railroad

Capital Program Report

January 2013

CAPITAL PROGRAM

HIGHLIGHTS

January 28, 2012

STATIONS/PARKING/FACILITIES

North White Plains Station Access and Parking Garage

Proposals for both Construction Supervision & Inspection Services and Design-Build Services have been received and are under review.

Croton-Harmon/Peekskill Improvements

Substantial Completion was achieved in December 2012.

Poughkeepsie Station Improvements

Pedestrian Walkway and Pavilion Repair:

Work in Progress:

- Clean-up and punchlist.
- Pavilion Roof Repairs.

New Haven Line Station Improvements

Small Business Mentoring Program – Platform Guard Rail Replacement:

At Mamaroneck, Harrison, Mt. Vernon East, Pelham, and New Rochelle Stations:

- Platform guardrail installation at Harrison and Mamaroneck Stations is complete and punchlist work is in progress. Installation is in progress on inbound platform at Mount Vernon East.
- Platform guardrail fabrication continues for Mt Vernon East and Pelham.

Rehabilitation of Various Station Elements at 6-Stations (Mt Vernon East, Pelham, New Rochelle, Larchmont, Mamaroneck and Harrison):

- Platform superstructure rehabilitation and painting continues.

Canine Training Facility, Town of East Fishkill, NY

Project has been awarded and kickoff meeting to be scheduled in early January.

POWER

Substation Replacement Bridge-23

Work in Progress:

- Off-site testing of West Switchgear is anticipated for Mid- February 2013.
- Excavating for the New Rochelle switchgear foundations is underway.
- Construction of conduit ductbanks is underway.

Work Complete:

- High Voltage transformer No. 1 has been delivered to the site.

TRACK AND STRUCTURES

2012 Cyclical Track Program

Work in Progress: As of January 1, 2013, a total of 19,825 ties and 2.0 miles of continuous welded rail (CWR) was installed, and 75.8 miles of track was surfaced. The Production gang ended production December 4th. Clean-up is on-going on all 3 Lines.

Rehabilitation - Woodbury Viaduct

Construction bids and proposals for Construction Supervision & Inspection Services have been received and are under review.

Harlem River Lift Bridge-Cable Replacement/Control System

Construction bids are due January 29, 2013. Proposals for the Construction Supervision and Inspection Services have been received and are under review.

Inspection and Rehabilitation of Retaining Walls

Both contracts for Construction and Supervision & Inspection Services have been executed; project kickoff meeting anticipated in early January 2013.

Rehabilitate Catenary Structures

A Construction contract for painting and select structural repairs to the catenary structures along the NYS portion of the New Haven Line has been executed; project kickoff meeting is scheduled for early January.

Undergrade Bridges – East of Hudson

Work in Progress:

- HA 22.41 over Main Street: Repairs are at 95% completion.
- HU 4.69 HRLB Walkways adjacent to Tracks 1 and 2: Work is at 85% completion.
- HU 32.81 Track 4 over Croton River in Croton-on-Hudson: Both contracts for Construction and Supervision & Inspection Services have been executed; project kickoff meeting anticipated in early January 2013.

Undergrade Bridges – West of Hudson

A contract was executed to design select undergrade bridges; project kickoff meeting anticipated early January 2013.

Otisville Tunnel Repairs

Both contracts for Construction and Supervision & Inspection Services have been executed; kickoff meeting anticipated in early January 2013.

Overhead Bridges – East of Hudson

Bridge Street Bridge Replacement (HU 65.18), Poughkeepsie: Bids for Construction and Proposals for Construction Supervision & Inspection Services were received and are under review.

HU 38.90 Montrose Station Road Bridge: Steel repairs are complete. Concrete repairs remain.

Drainage and Undercutting Program

A Construction contract for Sing-Sing Creek Improvements in Ossining has been executed; kick-off meeting scheduled for early January 2013. Bids for Bronx drainage along the Harlem Line have been received and are under review.

SHOPS AND YARDS

Harmon Shop Improvements –

Phase IV Stage 1

Work in Progress:

- Roof and masonry repairs on Main Building (Building #6).
- Installation of the Wheel Storage Canopy roof and wall panels.
- Retesting of transformer at south storage yard that was partially submerged due to Hurricane Sandy.

Phase V – Preliminary Design

- Contract was executed in December 2012 for the Preliminary Design Services for the consist shop Phase V, Stage I and Stage II; kickoff meeting to be scheduled for early January 2013.
- Approval to advertise the Pre-demolition Systems and Office Space Relocations advance work received in December 2012; advertisement expected in January 2013.

Employee Welfare & Storage Facilities – Brewster Roof Replacement

Work in Progress:

- Punchlist

GRAND CENTRAL TERMINAL

Grand Central Terminal Train Shed and Park Avenue Tunnel

Work in Progress:

- Work on Track No. 4 is ongoing with masonry repairs proceeding
- Contract was executed to a firm to design select areas of the train shed and platform edge repairs.

ROLLING STOCK

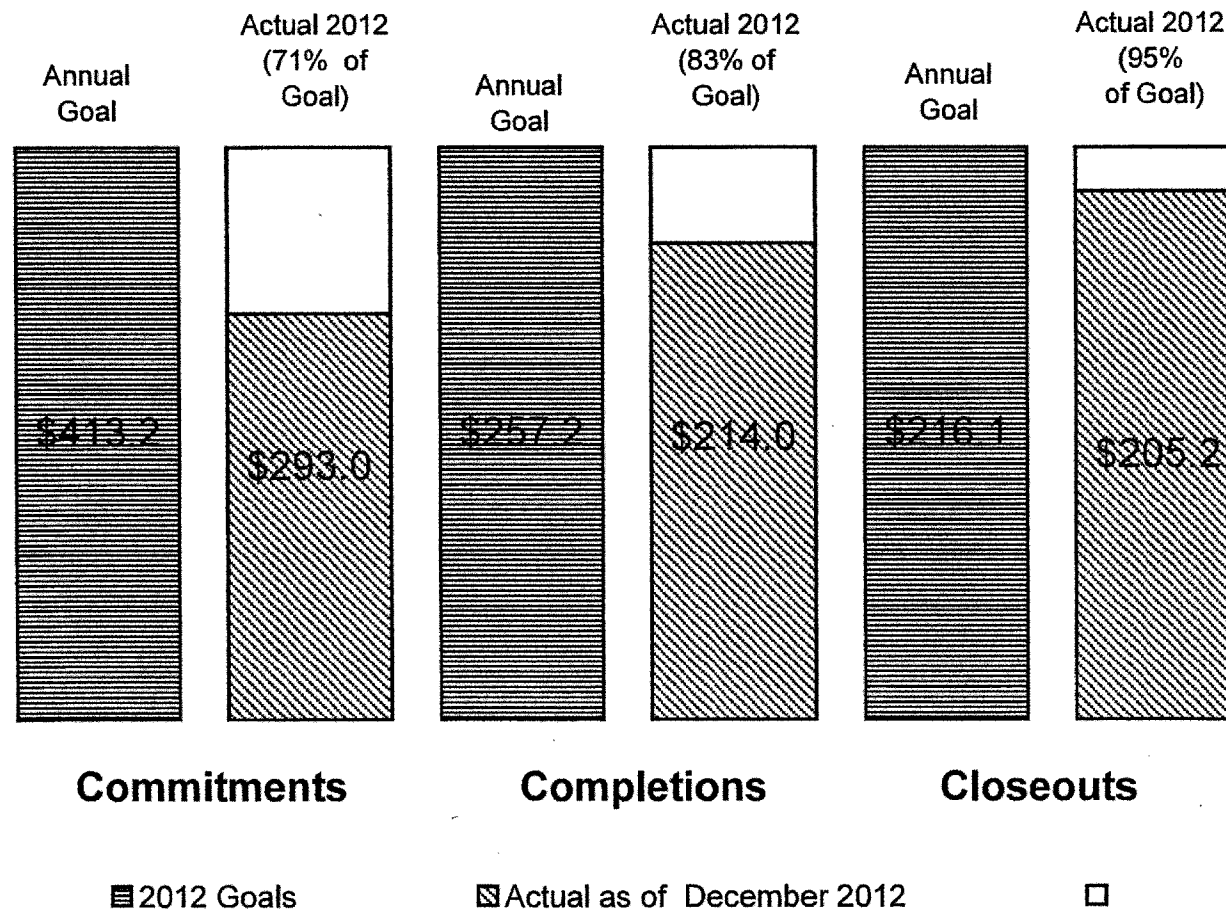
M-8 Car Program

164 cars have been conditionally accepted and placed into revenue service.

2012 MNR Capital Program Goals

As of December 31, 2012

In Millions





Police Report January 2013



MTA Police Department
Arrest Summary: Department Totals

1/4/2013
3:16:28PM

1/1/2012 to 12/31/2012

Arrest Classification	Total Arrests
Rape	1
Robbery	47
Felony Assault	39
Burglary	12
Grand Larceny	57
Aggravated Harassment	6
Aggravated Unlicensed Operator	32
Assault-Misdemeanor	47
Breach of Peace	13
Child Endangerment	3
Criminal Contempt	3
Criminal Impersonation	7
Criminal Mischief	41
Criminal Possession Stolen Property	13
Criminal Tampering	2
Criminal Trespass	39
Disorderly Conduct	13
Drug Offenses	35
DUI Offenses	16
Falsely Reporting an Incident	9
Forgery	28
Fraud	6
Graffiti	6
Harassment	7
Make Terrorist Threat	1
Menacing	13
NYC Admin Code	1
Obstruct Government	4
Petit Larceny	114
Public Lewdness	81
Reckless Endangerment	8
Resisting Arrest	73
Sex Offenses	16
Theft of Services	70
VTL Offenses	3
Warrant Arrest	49
Weapons Offenses	8



METROPOLITAN TRANSPORTATION AUTHORITY
Police Department
System Wide

December 2012 vs. 2011

	2012	2011	Diff	% Change
Murder	0	0	0	0%
Rape	0	0	0	0%
Robbery	6	6	0	0%
Felony Assault	2	1	1	100%
Burglary	0	0	0	0%
Grand Larceny	21	24	-3	-13%
GLA	0	1	-1	-100%
Total Major Felonies	29	32	-3	-9%

Year to Date 2012 vs. 2011

	2012	2011	Diff	% Change
Murder	0	0	0	0%
Rape	1	2	-1	-50%
Robbery	55	73	-18	-25%
Felony Assault	36	42	-6	-14%
Burglary	13	7	6	86%
Grand Larceny	229	238	-9	-4%
GLA	5	10	-5	-50%
Total Major Felonies	339	372	-33	-9%

FIGURES ARE PRELIMINARY AND SUBJECT TO FURTHER ANALYSIS AND REVISION



METROPOLITAN TRANSPORTATION AUTHORITY

Police Department Metro North Railroad

December 2012 vs. 2011

	2012	2011	Diff	% Change
Murder	0	0	0	0%
Rape	0	0	0	0%
Robbery	1	4	-3	-75%
Felony Assault	0	0	0	0%
Burglary	0	0	0	0%
Grand Larceny	7	13	-6	-46%
GLA	0	1	-1	-100%
Total Major Felonies	8	18	-10	-56%

Year to Date 2012 vs. 2011

	2012	2011	Diff	% Change
Murder	0	0	0	0%
Rape	0	0	0	0%
Robbery	19	22	-3	-14%
Felony Assault	8	8	0	0%
Burglary	12	3	9	300%
Grand Larceny	95	117	-22	-19%
GLA	5	9	-4	-44%
Total Major Felonies	139	159	-20	-13%