

**PRESENTATION TO  
METRO  
BOARD OF DIRECTORS**

David L. Gunn

Thursday, March 11, 2010







# PROBLEMS FACING METRO

- ❑ Financial
- ❑ Operations
- ❑ Organization / Management
- ❑ Public Awareness



# FINANCIAL PROBLEMS

- ❑ Growth in Subsidy Requirements Driven by Access/Metrobus
- ❑ Current Solution – Destroying Metrorail
  1. Fares
  2. Service Cuts
    - a) Headways
    - b) No 8-car trains
- ❑ RAIL has 80% cost recovery
- ❑ Incremental Costs Less Than Revenue



## SUBSIDY (\$000,000)

| Fiscal Year | RAIL             | BUS              | ACCS            | TOTAL |
|-------------|------------------|------------------|-----------------|-------|
| 2000        | 108              | 175              | 19              | 302   |
| 2001        | 107              | 187              | 21              | 315   |
| 2002        | 130              | 201              | 27              | 358   |
| 2003        | 138              | 210              | 33              | 381   |
| 2004        | 129              | 219              | 36              | 384   |
| 2005        | 105              | 241              | 39              | 385   |
| 2006        | 120              | 263              | 49              | 432   |
| 2007        | 146              | 280              | 55              | 481   |
| 2008        | 102              | 287              | 63              | 452   |
| 2009        | 121              | 330              | 80              | 531   |
| 2010        | 159 <sup>B</sup> | 309 <sup>B</sup> | 81<br>(Est. 91) | 559   |
| 2011        | 162 <sup>B</sup> | 358 <sup>B</sup> | 97 <sup>B</sup> | 607   |



# SUBSIDY GROWTH 2000-2009

| <u>Mode</u> | <u>\$ (000,000)</u> | <u>Percent</u> |
|-------------|---------------------|----------------|
| RAIL        | 13 / 108            | 12             |
| BUS         | 155 / 175           | 89             |
| ACCS        | 61 / 19             | 321            |



# Problems: Operations

□ Rail System is deteriorating.

➤ Track

✓ Rail 10 miles vs. 30 miles

✓ Ties 8,000 vs. 12-15,000

✓ Fasteners 8,000 vs. 30,000

✓ Sperry Defects 300 Within 2 years

✓ Joints 2,000 (1,000 Defects)

✓ Turnouts 12-25 vs. 30

✓ R-O-W Not as neat as it should be

✓ Water Problem growing with age;  
electrolysis/rust

*(Ex. Rail break at Friendship Heights)*







# Problems: Operations, Cont'd

- Cars

- Can't meet service requirements
- 850 cars      1,126 Fleet      276 spares

- **Reliability poor**

- Most reliable                      6000 Series
- Next reliable                      1K, 2K, 3K
- Least reliable                      4K, 5K

- **Parts problems**

- 26-30 donor cars
- Accident damaged cars

- **Cars scheduled**

|             | 2002 | 2010 | Percent |
|-------------|------|------|---------|
| ▪ Cars      | 654  | 850  | 30%     |
| ▪ Headcount | 642  | 709  | 10%     |

- **Dirty**

- **Don't wash tunnels**



# Problems: Operations, Cont'd

- Stations
  - 7 Stations – platforms supported by wood shoring

## Conclusion

Metro Rail has down hill momentum which will be difficult to stop!



# Problems:

## Organization / Management

- **Organizational Structure**
  - Material / Procurement
  - Budgets
    - Capital / operating
    - Unexplained changes
  
- **Engineering/Maintenance separate**
  - Coordinated at AGM level
  - Bad Blood
  
- **Fragmentation**
  - Procurement/Materials
  - Training
  
- **Budget Process**
  - Incomplete organization charts
  - Head count not linked to:
    - Capital budget
    - Goals & objectives
    - Economic Analysis questionable,
      - Example; 8-car trains.Savings would require head count reduction – which ones?
    - RIFs; Early Retirement; Freezes produce expensive, operationally significant unintended results



# Problems:

## Organization / Management, Cont'd

- **Safety is the responsibility of line departments**
  - Knowledge: Signals  
Track  
Operations  
Rules
  - Communications: ID problem  
Solution  
Ask for help
- **Metro has problems in both areas; starts at Board; shoot messenger**
- **Loss of Talent - staggering**
- **Potential Loss of talent -- Very thin; no backup**
- **Standards for New Employees**
  - Reduced several years ago
  - Strengthened Fall 2009
  - Impact felt for years



# Problems: Organization/Management, Cont'd

## □ Public Awareness

- The Problem is serious; Metrorail is deteriorating due to lack of priorities:
  - Capital Resources
  - Operating Resources
- Letter to Mayor (examples: Structural Deficit; Fare Increases)



# Problems: Bus

- Organization
  - Effective
  - Personnel
    - Competent/Experienced
  - Maintenance Practices
    - Adequate
    - New Shops impressive
  - Problems
    - Condition of facilities-example Northern
    - Regular vehicle procurements
    - Shortage of operators-(freeze effect)
    - Quality of new hires



# RECOMMENDATIONS

- ❑ Board / Governance
- ❑ Management
  - Organization
  - Personnel
  - Goals and Objectives
  - Head Count Control
  - Budgets
    - Operations
    - Capital
  - Reporting



# Board / Governance Recommendations

- Rotating chair is a problem
  - Need multi-year goals and objectives - Board and GM
  - Priorities cannot change every year
  
- Agenda should be set by GM/Chair - Committees can't hold items up
  
- Procurement policies must be streamlined
  - budget OK starts bid process;
  - low bid awards up to amount OK
  
- Goals
  - 1) Realistic
  - 2) Agreed to by Operations
  - 3) Quantifiable means to end versus end; Example; car improvement programs not MDBF
  
- Prioritized capital program by asset class, rail, ties, chillers, etc.;  
Not:  
line segments; Performance; Customer; Demand;



# Board / Governance Recommendations

- Board adopted bus/rail service standards
  - Seat / standees
  - P&L using incremental cost
  - Access required vs. nice to have
  
- Hours of Service
  - Track time by line
  
- Come clean with Region on:
  - Finances
  - Physical conditions
  - Time to fix
  - Inconvenience which will occur
  - Prioritized Capital Needs
  
- Monthly Reports
  - Operating results by responsibility center
  - Capital results by project
  - Estimated year end (each period)
  
- Don't Kill The Messenger
- Communicate through GM



# Management Recommendations

- Increase Direct Reports (see chart)
  - Materials/procurement
  - HR
  - Labor
  - Etc.
  
- Strengthen Rail Senior Management
  
- Merge engineering and maintenance around systems; example; Signals, Power, Track
  
- Senior management responsible for capital and operating budgets in their areas

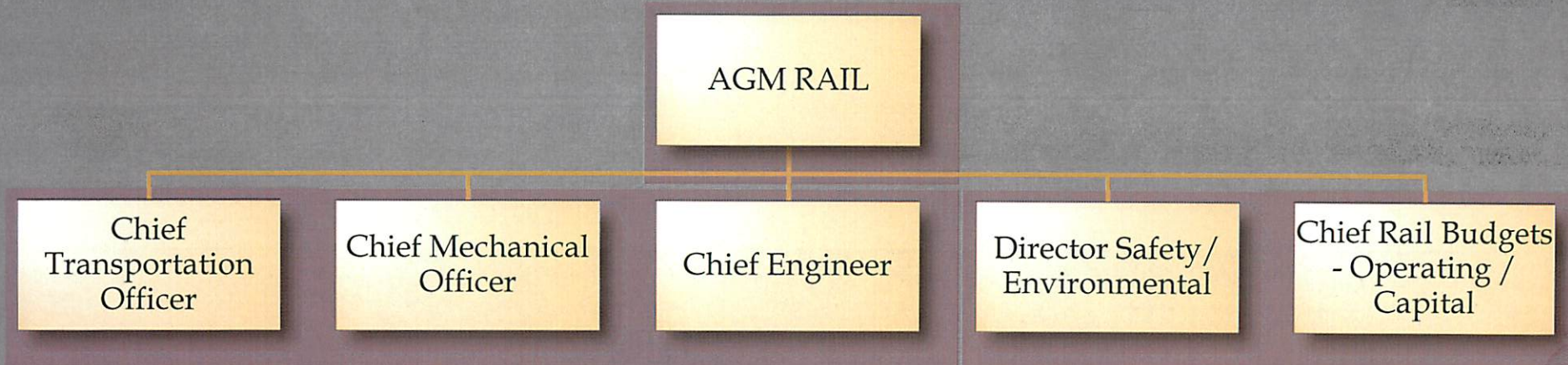


# Proposed Metro Organization



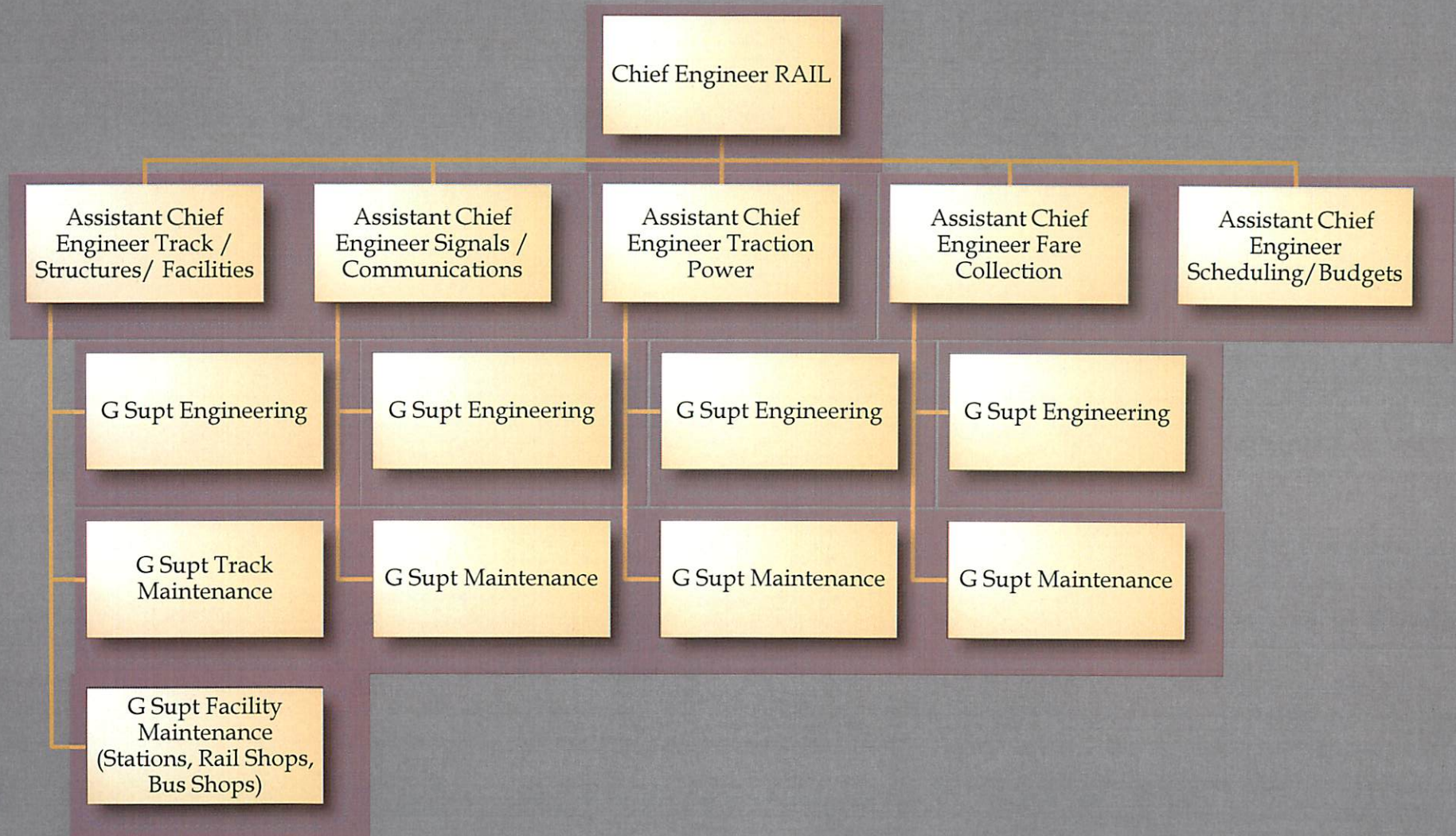


# Proposed Metro Organization





# Proposed Metro Organization





# Management Recommendations,

## Cont'd

### Implement 5 Tools

1. Goals and objectives
2. Organization charts
  - ✓ Head count
  - ✓ Capital and Operating
3. Budget by Responsible Center (Specific manager)
4. Capital budget asset based
  - ✓ Description
  - ✓ Schedule
  - ✓ Dollars
  - ✓ Heads
5. Report Monthly
  - ✓ Operating budget
  - ✓ By project
  - ✓ Estimated results



**08/27/2004 NATIONAL RAILROAD PASSENGER CORPORATION  
FY 2005 GOALS AND OBJECTIVES**

| <b>Engineering Department</b>      |  |                                      |                       |
|------------------------------------|--|--------------------------------------|-----------------------|
| <b>GOALS</b>                       | <b>DESCRIPTION</b>   | <b>JOINT RESPONSIBILITY WITH</b>     | <b>TARGET</b>         |
| <b>Goal #:</b>                     |  |                                      |                       |
| <b>Overall Departmental Goals</b>  |  |                                      |                       |
| 1.                                 | Safety - FRA Reportable Injury Ratio (Injuries/200k hrs)   |                                      | 3.7                   |
| 2.                                 | Operating Rule Violation (Violations/200k hrs)   |                                      | 0.45                  |
| 3.                                 | Core Operating Expense (including transfers)   |                                      | Meet Operating Budget |
| 4.                                 | Core Overtime Ratio  |                                      | 17.5%                 |
| 5.                                 | Capital Overtime Ratio   |                                      | 59.5%                 |
| 6.                                 | Absenteeism (Based on Corporate Method)  |                                      | 4.0%                  |
| 7.                                 | Track Geometry Level 1 Defects (Defects/Mile)  |                                      | 0.060                 |
| 8.                                 | Track Geometry Level 2 Defects (Defects/Mile)  |                                      | 1.40                  |
| 9.                                 | Track Slow Order Miles   |                                      | TBD                   |
| 10.                                | Unplanned Minutes of Train Delay   |                                      | 79,000                |
| 11.                                | Planned Minutes of Train Delay   | Transportation                       | TBD                   |
| <b>Specific Departmental Goals</b> |  |                                      |                       |
| 1.                                 | Engineering Dashboard  |                                      | First Quarter         |
|                                    | a. Weather Alerts and Project Management   |                                      | Third Quarter         |
|                                    | b. Portal for EAM, Situational Awareness, WEB WEE  |                                      |                       |
| 2.                                 | Plan track production work to build delays into timetables where appropriate, (to include information regarding speed restrictions and slow-by orders) | Operations Planning / Transportation | Third Quarter         |
| 3.                                 | Situational Awareness  |                                      | Second Quarter        |
|                                    | a. Work Performance Management of 200 Vehicles   |                                      |                       |



**08/27/2004 NATIONAL RAILROAD PASSENGER CORPORATION  
FY 2005 GOALS AND OBJECTIVES**

| <b>Engineering Department</b>             |   |                                  |                |
|---|---|----------------------------------|----------------|
| <b>GOALS</b>                              | <b>DESCRIPTION</b>  | <b>JOINT RESPONSIBILITY WITH</b> | <b>TARGET</b>  |
| <b>Specific Departmental Goals (Cont)</b> |   |                                  |                |
| 4.  | Rail Neutral Temperature Management   |                                  |                |
|   | a. Evaluate Measurement System  |                                  | First Quarter  |
|   | b. Develop Plan to Evaluate Rail State Stress on NEC                              |                                  | First Quarter  |
|   | c. Establish Policy & Procedure for Rail Stress Management                        |                                  | Third Quarter  |
|   | d. Implement Measurement Program - 100 track miles tested for longitudinal stress |                                  | Third Quarter  |
| 5.  | NEC Night High Rail Inspection  |                                  |                |
|   | a. Complete Safety Case with FRA  |                                  | First Quarter  |
|   | b. Design Parallel Monitoring and Evaluation System                               |                                  | Second Quarter |
|   | c. Implement Inspection in at Least One Inspection District                       |                                  | Third Quarter  |
| <b>Production Goals<sup>1</sup></b>       |   |                                  |                |
| 1.  | Track   |                                  |                |
|   | a. Concrete Ties Installed  |                                  | 188,500        |
|   | b. Rail Replacement   |                                  | 73 rail miles  |
|   | c. Track Undercutting   |                                  | 34 track miles |
|   | d. Wood Ties Installed  |                                  | 41,000         |
|   | e. Total Turnouts Replaced (Incl SES)   |                                  | 121 each       |
| 2.  | Structures  |                                  |                |
|   | a. Bridge Ties Installed  |                                  | 4,500          |
|   | b. Undergrade Bridges Improved  |                                  | 22 each        |

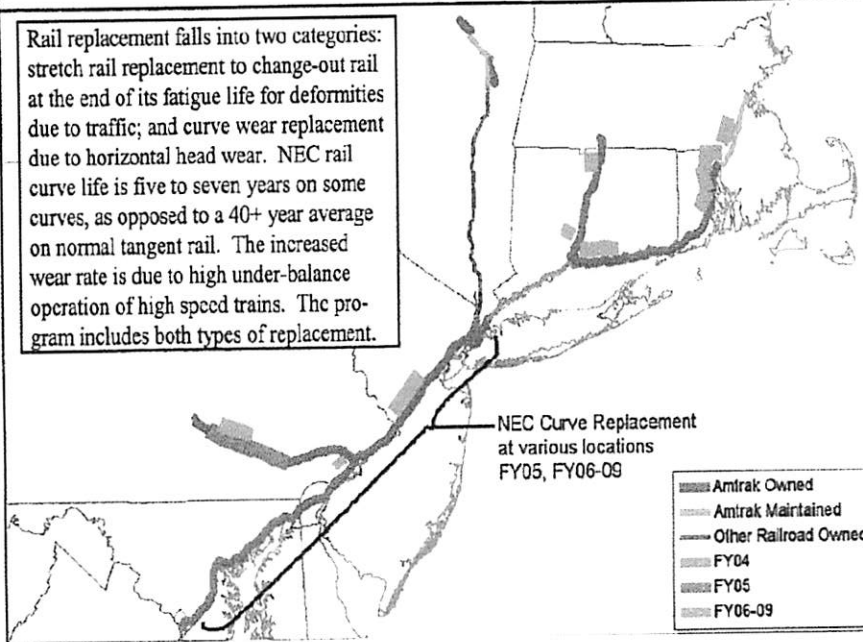
<sup>1</sup> Based on Total Capital Funding from all Sources as Detailed in the FY05 Capital Program to be submitted to the Board of Directors for Approval at the September 2004 meeting.



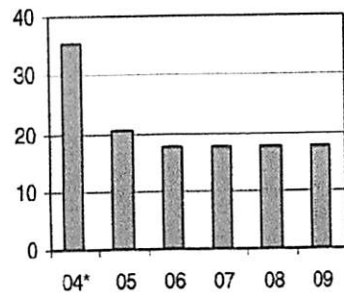
# Track: Rail Replacement

## Overview <sup>1</sup>

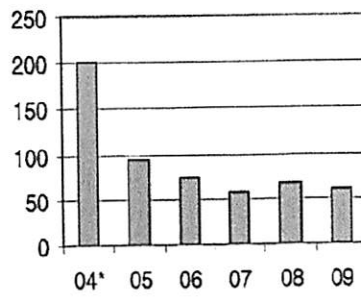
Rail replacement falls into two categories: stretch rail replacement to change-out rail at the end of its fatigue life for deformities due to traffic; and curve wear replacement due to horizontal head wear. NEC rail curve life is five to seven years on some curves, as opposed to a 40+ year average on normal tangent rail. The increased wear rate is due to high under-balance operation of high speed trains. The program includes both types of replacement.



## Spending (millions)



## Rail Replacement (miles)



## Rail Replacement\*\*

| Segment                        | From       | To | MP From | MP To <sup>1</sup> | State | FY04 | FY05 | FY 06-09 | Track # |
|--------------------------------|------------|----|---------|--------------------|-------|------|------|----------|---------|
| <b>Boston to Providence</b>    |            |    |         |                    |       |      |      |          |         |
| Transfer                       | Mansfield  |    | 10.2    | 24.7               | MA    | X    |      |          | 2       |
| Junction                       | Mansfield  |    | 14.8    | 24.7               | MA    | X    |      |          | 1       |
| Hebronville                    | Lawn       |    | 35.4    | 40.1               | MA    | X    |      |          | 2       |
| Lawn                           | Orms       |    | 40.1    | 43.1               | RI    | X    |      |          | 2       |
| <b>Providence to New Haven</b> |            |    |         |                    |       |      |      |          |         |
| Orms                           | Atwells    |    | 43.1    | 44.5               | RI    | X    |      |          | 1       |
| Atwells                        | Cranston   |    | 44.5    | 47.5               | RI    | X    |      |          | 1       |
| Cranston                       | Davisville |    | 47.5    | 60.7               | RI    | X    |      |          | 2       |
| Groton                         |            |    | 104.5   |                    | CT    | X    |      |          | 2       |
| Old Saybrook                   | Guilford   |    | 123.6   | 138.3              | CT    | X    |      |          | 1       |
| Guilford                       | Branford   |    | 138.3   | 147.2              | CT    | X    |      |          | 1       |
| <b>Bergen to Trenton</b>       |            |    |         |                    |       |      |      |          |         |
| County                         | Midway     |    | 265.5   | 274.0              | NJ    | X    |      |          | 3       |
| County                         | Midway     |    | 265.5   | 274.0              | NJ    | X    |      |          | 2       |
| Midway                         | Ham        |    | 274.0   | 288.4              | NJ    | X    |      |          | 3       |
| Midway                         | Ham        |    | 274.0   | 288.4              | NJ    | X    |      |          | 2       |
| <b>NEC Main Line</b>           |            |    |         |                    |       |      |      |          |         |
| NEC Curve Patch                |            |    | Various |                    |       | X    | X    | X        | Various |
| <b>Harrisburg Line</b>         |            |    |         |                    |       |      |      |          |         |
| Cork                           | Roy        |    | 68.1    | 94.5               | PA    |      | X    |          | 1       |
| Cork                           | Roy        |    | 68.1    | 94.5               | PA    | X    | X    |          | 2       |
| Park                           | Cork       |    | 43.9    | 68.1               | PA    |      | X    |          | 1,4     |
| Paoli                          | Overbrook  |    | 19.9    | 5.4                | PA    |      |      | X        | 2       |
| <b>Springfield Line</b>        |            |    |         |                    |       |      |      |          |         |
| Cedar                          | Hot        |    | 7.0     | 17.1               | CT    |      |      | X        | S       |
| Field                          | Sweeney    |    | 46.3    | 54.7               | CT    |      |      | X        | S       |
| <b>Michigan Line</b>           |            |    |         |                    |       |      |      |          |         |
| CP147                          | CP160      |    | 150.0   | 160.2              | MI    |      |      | X        | S       |
| CP160                          | CP178      |    | 160.2   | 178.1              | MI    |      |      | X        | S       |
| CP178                          | CP190      |    | 178.1   | 190.3              | MI    |      |      | X        | S       |

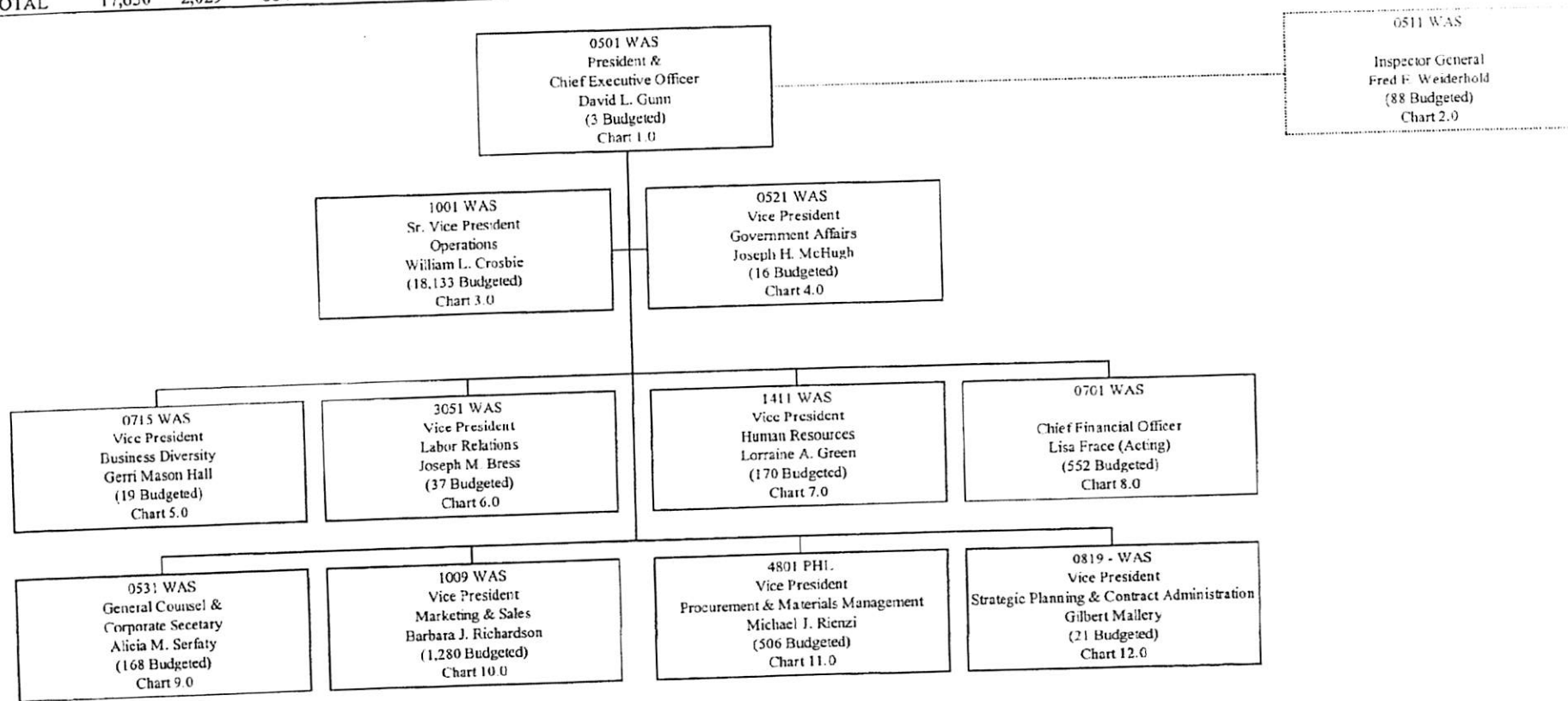
\*FY04 figures are full year estimates. \*\*Some rail replacement also may be included in the turnout replacement program (p.19) if a project incorporates both elements.

<sup>1</sup>Because of scale, locations shown on map are approximate. See table for additional details. Locations and figures include Keystone Program (See also Major projects / Partnerships and Corridor Appendix). NEC Main Line mileposts (MP) use the



**PRESIDENT & CHIEF EXECUTIVE OFFICER**  
 Approved Workforce by Classification As of September 30, 2005

|              | OP            | CA           | CM         | RE         | CML       | TOTAL         |
|--------------|---------------|--------------|------------|------------|-----------|---------------|
| OM           | 1,174         | 46           | 66         | 15         | 6         | 1,307         |
| AP           | 730           | 31           | 23         | 12         | 16        | 812           |
| OC           | 197           | 4            | 7          | 3          | 2         | 213           |
| TE           | 277           | 38           | -          | 5          | -         | 320           |
| SU           | 672           | 104          | 29         | 16         | -         | 821           |
| CR           | 14,548        | 1,776        | 759        | 349        | 6         | 17,438        |
| CO           | 50            | 30           | -          | -          | -         | 80            |
| SE           | -             | -            | -          | -          | -         | -             |
| IN           | 2             | -            | -          | -          | -         | 2             |
| <b>TOTAL</b> | <b>17,650</b> | <b>2,029</b> | <b>884</b> | <b>400</b> | <b>30</b> | <b>20,993</b> |

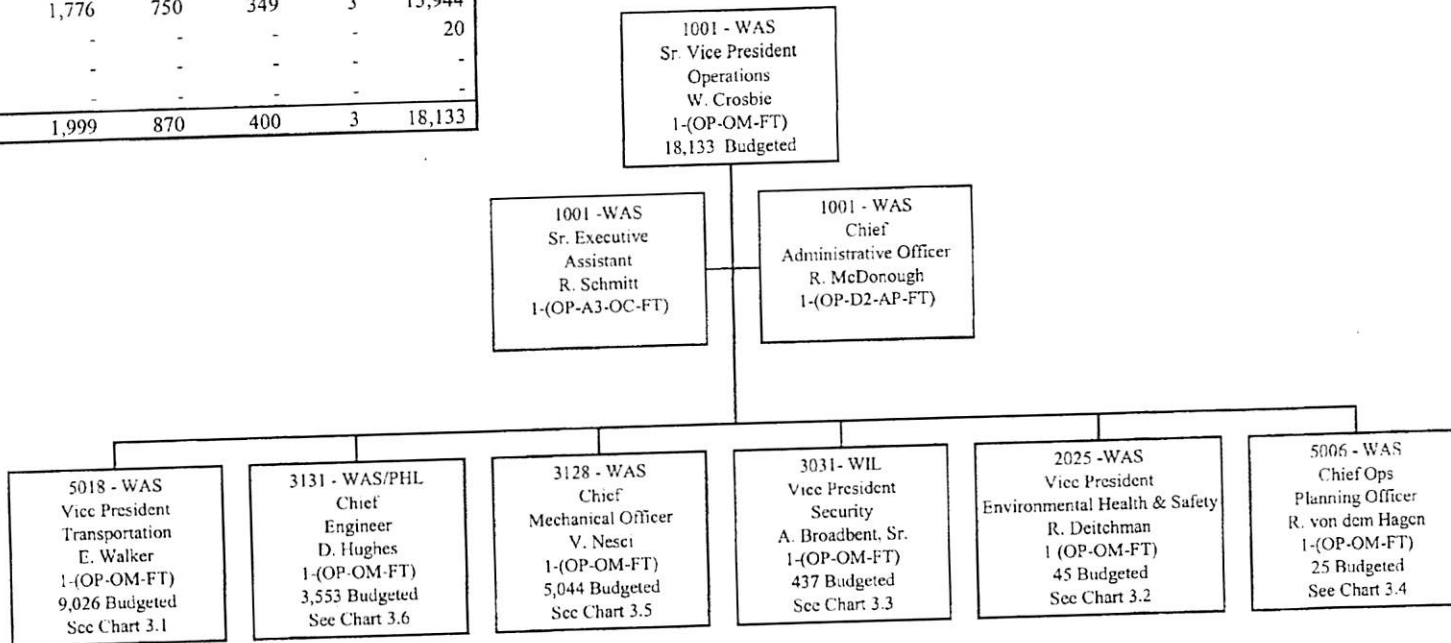


Approved David L. Gunn 10/25/04  
 David L. Gunn, President and Chief Executive Officer Date



Workforce by Classification as of September 30, 2005

|       | OP     | CA    | CM  | RE  | CML | Totals |
|-------|--------|-------|-----|-----|-----|--------|
| OM    | 718    | 46    | 63  | 15  | -   | 842    |
| AP    | 221    | 31    | 21  | 12  | -   | 285    |
| OC    | 59     | 4     | 7   | 3   | -   | 73     |
| TE    | 128    | 38    | -   | 5   | -   | 171    |
| SU    | 649    | 104   | 29  | 16  | -   | 798    |
| CR    | 13,066 | 1,776 | 750 | 349 | 3   | 15,944 |
| CO    | 20     | -     | -   | -   | -   | 20     |
| IN    | -      | -     | -   | -   | -   | -      |
| Total | 14,861 | 1,999 | 870 | 400 | 3   | 18,133 |



Approved [Signature] 10-25-04  
 W. Crosbie, Sr. VP Operations Date

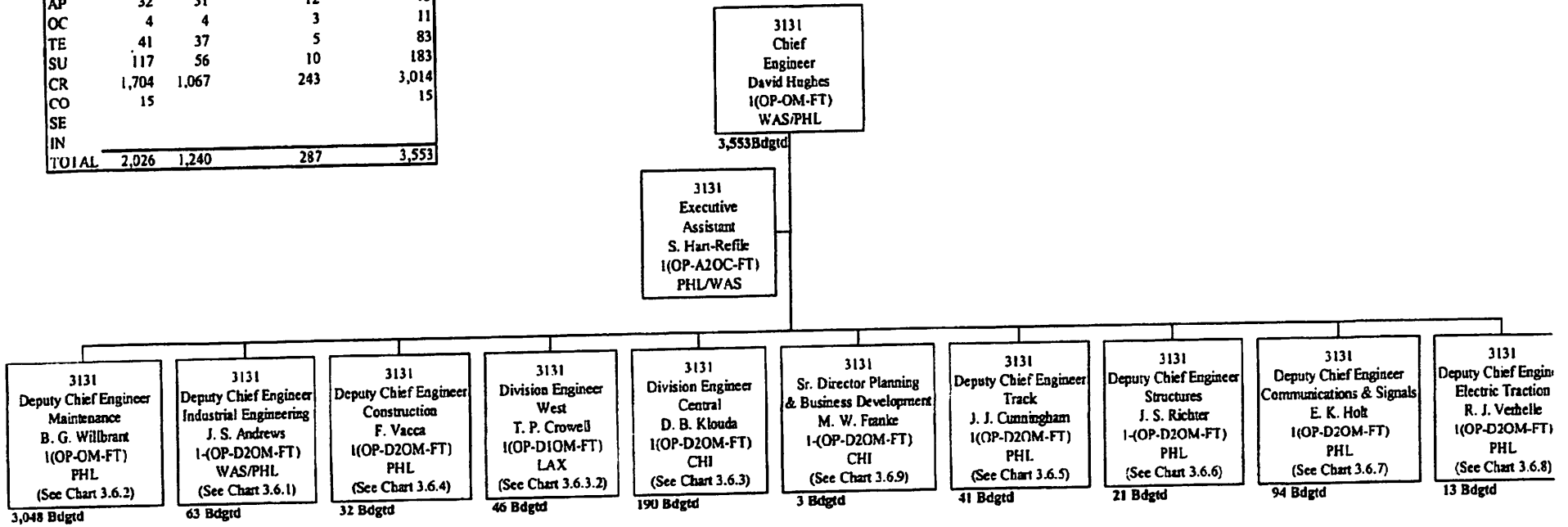
Approved [Signature] 10-28-04  
 D. Gunn, CEO Date



**CHIEF ENGINEER**

Approved Workforce by Classification as of September 30, 2005

|              | OP           | CA           | CM | RE         | CML | TOTAL        |
|--------------|--------------|--------------|----|------------|-----|--------------|
| OM           | 113          | 45           |    | 14         |     | 172          |
| AP           | 32           | 31           |    | 12         |     | 75           |
| OC           | 4            | 4            |    | 3          |     | 11           |
| TE           | 41           | 37           |    | 5          |     | 83           |
| SU           | 117          | 56           |    | 10         |     | 183          |
| CR           | 1,704        | 1,067        |    | 243        |     | 3,014        |
| CO           | 15           |              |    |            |     | 15           |
| SE           |              |              |    |            |     |              |
| IN           |              |              |    |            |     |              |
| <b>TOTAL</b> | <b>2,026</b> | <b>1,240</b> |    | <b>287</b> |     | <b>3,553</b> |



Approved: David Hughes 10/18/04  
 David Hughes, Chief Engineer Date

Approved: William L. Cresble 10-25-04  
 William L. Cresble, Sr. VP Operations Date

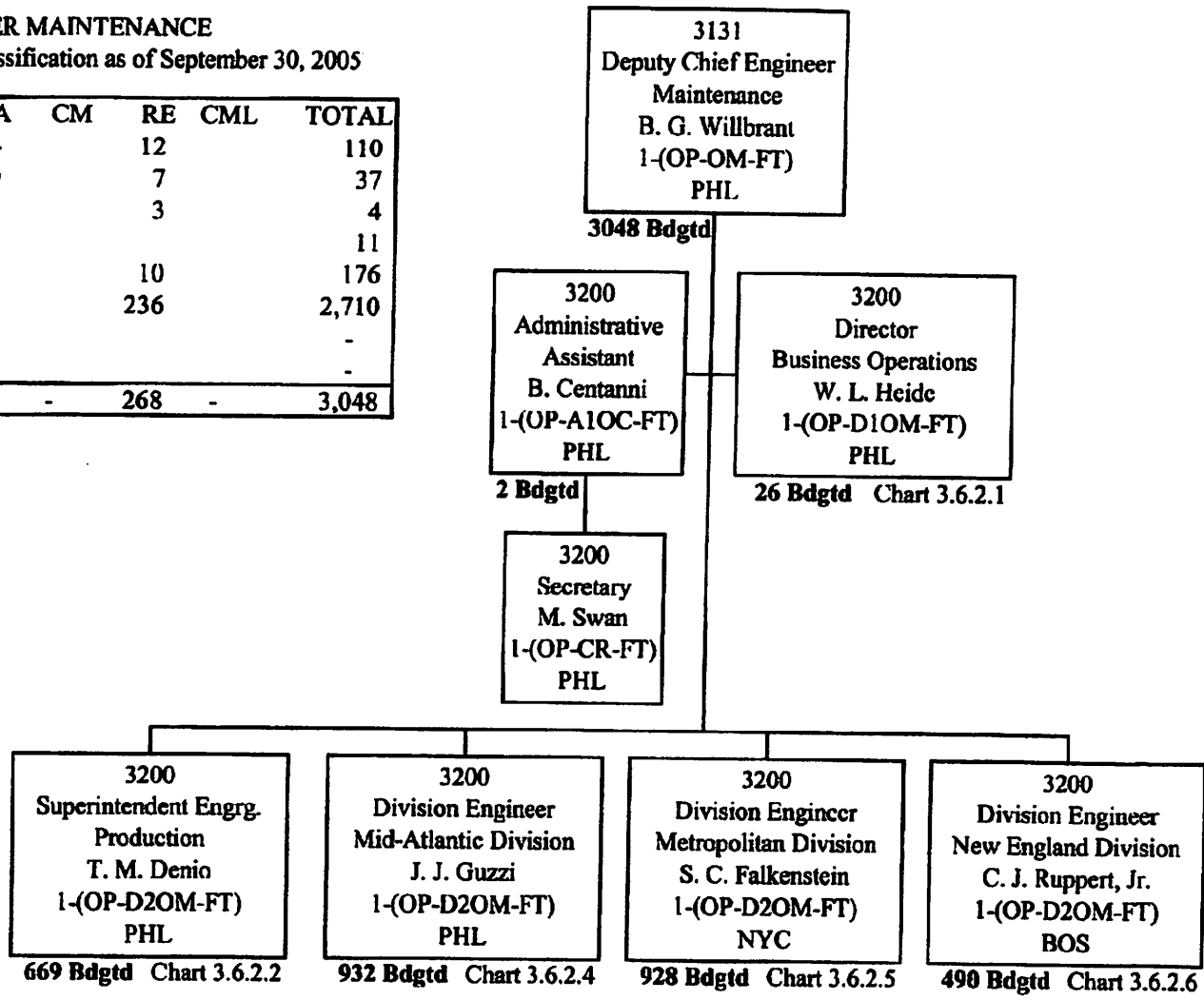
**SR. VP OPERATIONS ORGANIZATION**

**CHIEF ENGINEER**

**DEPUTY CHIEF ENGINEER MAINTENANCE**

Approved Workforce by Classification as of September 30, 2005

|              | OP           | CA           | CM       | RE         | CML      | TOTAL        |
|--------------|--------------|--------------|----------|------------|----------|--------------|
| OM           | 64           | 34           |          | 12         |          | 110          |
| AP           | 21           | 9            |          | 7          |          | 37           |
| OC           | 1            |              |          | 3          |          | 4            |
| TE           | 9            | 2            |          |            |          | 11           |
| SU           | 110          | 56           |          | 10         |          | 176          |
| CR           | 1,456        | 1,018        |          | 236        |          | 2,710        |
| CO           |              |              |          |            |          | -            |
| IN           |              |              |          |            |          | -            |
| <b>TOTAL</b> | <b>1,661</b> | <b>1,119</b> | <b>-</b> | <b>268</b> | <b>-</b> | <b>3,048</b> |



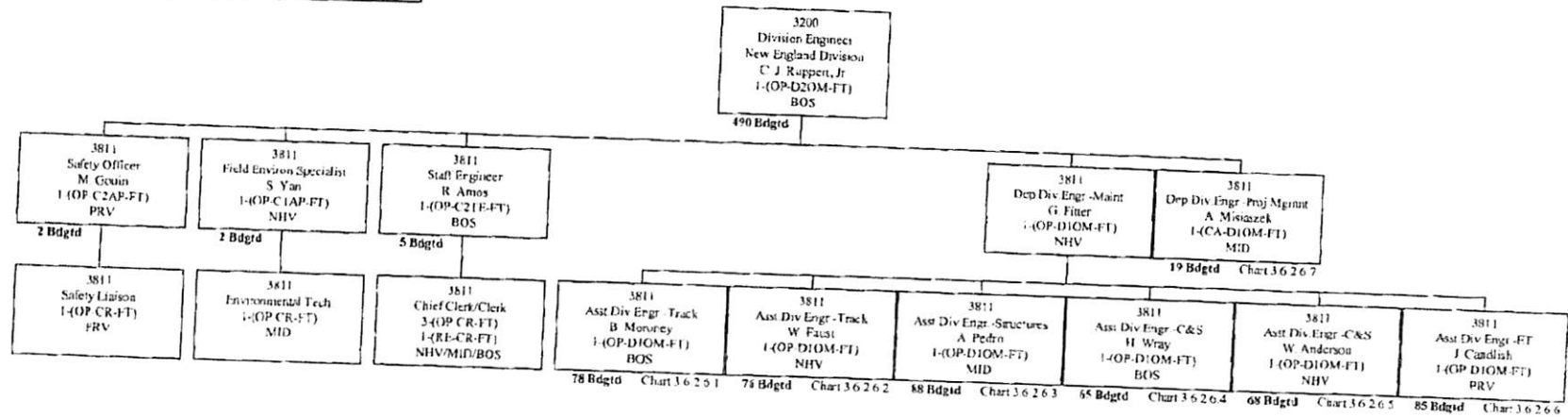
Approved *B. G. Willbrant* 10/8/04  
Date

Approved *[Signature]* 10/8/04  
Date



SR VP OPERATI ORGANIZATION  
 CHIEF ENGINEER  
 DEPUTY CHIEF ENGINEER MAINTENANCE  
 DIVISION ENGINEER NEW ENGLAND DIVISION  
 Approved Workforce by Classification as of September 30, 2005

|       | OP  | CA  | CM | RE | CML | TOTAL |
|-------|-----|-----|----|----|-----|-------|
| OM    | 8   | 2   |    | 2  |     | 12    |
| AP    | 3   | 6   |    | 7  |     | 16    |
| OC    |     | 1   |    |    |     | 1     |
| TE    | 1   |     |    |    |     | 1     |
| SU    | 32  | 8   |    | 3  |     | 43    |
| CR    | 254 | 120 |    | 43 |     | 417   |
| CO    |     |     |    |    |     | -     |
| IN    |     |     |    |    |     | -     |
| TOTAL | 298 | 137 | -  | 55 | -   | 490   |

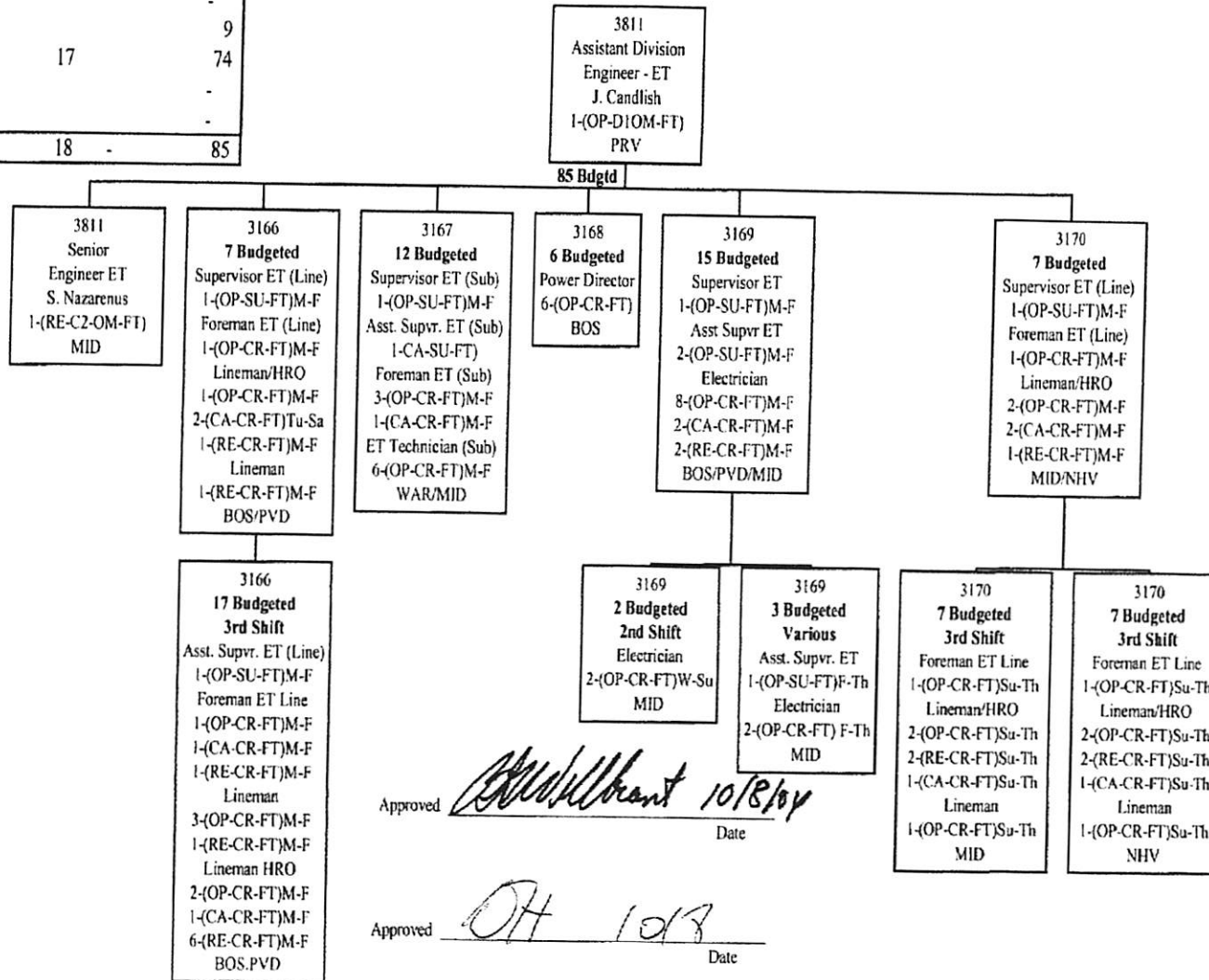


Approved *[Signature]* 10/8/04  
 Date

Approved *[Signature]* 10/8  
 Date

SR. VP OPERATIONS ORGANIZATION  
 CHIEF ENGINEER  
 DEPUTY CHIEF ENGINEER MAINTENANCE  
 DIVISION ENGINEER NEW ENGLAND DIVISION  
 ASST. DIVISION ENGINEER ELECTRIC TRACTION  
 Approved Workforce by Classification as of September 30, 2005

|               | OP        | CA        | CM       | RE        | CML      | TOTAL     |
|---------------|-----------|-----------|----------|-----------|----------|-----------|
| OM            | 1         |           |          | 1         |          | 2         |
| AP            |           |           |          |           |          | -         |
| OC            |           |           |          |           |          | -         |
| TE            |           |           |          |           |          | -         |
| SU            | 8         | 1         |          |           |          | 9         |
| CR            | 46        | 11        |          | 17        |          | 74        |
| CO            |           |           |          |           |          | -         |
| IN            |           |           |          |           |          | -         |
| <b>TOTAL:</b> | <b>55</b> | <b>12</b> | <b>-</b> | <b>18</b> | <b>-</b> | <b>85</b> |





RC9335

Department:  
Department Head:

Summ Chief Engineer  
David Hughes

|                     | Budget<br>FY 04 | Forecast<br>FY 04 | Budget<br>FY 05 | '05 Budget vs. '04<br>Budget<br>Better / (Worse) | '05 Budget vs. '04<br>Forecast<br>Better / (Worse) |
|---------------------|-----------------|-------------------|-----------------|--|--|
| <b>Workforce</b>    |                 |                   |                 |  |  |
| Core                | 1,903           | 1,902             | 1,849           | 54   | 53   |
| Commuter            |                 |                   |                 |  |  |
| Reimbursable        | 301             | 298               | 259             | 42   | 39   |
| Commercial          |                 |                   |                 |  |  |
| Projects            |                 |                   |                 |  |  |
| Operating Sub Total | 2,204           | 2,200             | 2,108           | 96   | 92   |
| Capital             | 1,185           | 1,001             | 1,082           | 103  | (81)   |
| Planned Positions   | 3,389           | 3,201             | 3,190           | 199  | 11   |
| Vacancies *         | 187             | 375               | 363             | (176)  | 12   |
| Total Authorized    | 3,576           | 3,576             | 3,553           | 23   | 23   |

\* Includes Planned and Unplanned Vacancies

|                                    | (S000's)        |                   |                 |  |  |
|------------------------------------|-----------------|-------------------|-----------------|--|--|
|                                    | Budget<br>FY 04 | Forecast<br>FY 04 | Budget<br>FY 05 | '05 Budget vs. '04<br>Budget<br>Better / (Worse) | '05 Budget vs. '04<br>Forecast<br>Better / (Worse) |
| <b>Revenue</b>                     |                 |                   |                 |  |  |
| Passenger Related                  |                 |                   |                 |  |  |
| Ticket Revenue                     | \$0             | \$0               | \$0             | \$0  | \$0  |
| Food and Beverage                  | -               | -                 | -               | -  | -  |
| State Supported Train Revenue      | -               | -                 | -               | -  | -  |
| Total Passenger Related            | \$0             | \$0               | \$0             | \$0  | \$0  |
| Mail and Express                   | -               | -                 | -               | -  | -  |
| Commuter                           | -               | -                 | -               | -  | -  |
| Other                              | -               | -                 | -               | -  | -  |
| Reimbursable                       | 85,855          | 86,866            | 70,886          | (14,969)   | (15,980)   |
| Commercial Development             | -               | -                 | -               | -  | -  |
| Other Transportation               | -               | -                 | -               | -  | -  |
| Freight Access Fees and Other      | -               | -                 | -               | -  | -  |
| Total Other Revenue                | \$85,855        | \$86,866          | \$70,886        | (\$14,969)                                       | (\$15,980)   |
| Total Operating Revenue            | \$85,855        | \$86,866          | \$70,886        | (\$14,969)                                       | (\$15,980)   |
| <b>Expenses</b>                    |                 |                   |                 |  |  |
| Salaries, Wages and Benefits       |                 |                   |                 |  |  |
| Salaries                           | \$16,510        | \$16,520          | \$18,013        | (\$1,502)  | (\$1,493)  |
| Wages & Overtime                   | 112,239         | 109,638           | 100,818         | 11,421   | 8,821  |
| Employee Benefits                  | 64,376          | 60,715            | 61,092          | 3,285  | (377)  |
| Employee Related                   | 6,240           | 6,580             | 6,322           | (82)   | 258  |
| Total Salaries, Wages and Benefits | \$199,365       | \$193,452         | \$186,244       | \$13,121   | \$7,208  |
| Train Operations                   | 7               | 53                | 16              | (9)  | 37   |
| Fuel, Power, & Utilities           | 3,802           | 3,376             | 3,206           | 596  | 169  |
| Materials                          | 20,490          | 16,466            | 16,052          | 4,438  | 414  |
| Facility, Communication, & Office  | 15,407          | 14,908            | 14,891          | 516  | 17   |
| Casualty and Other Claims          | -               | -                 | -               | -  | -  |
| Depreciation                       | -               | -                 | 6,019           | (6,019)  | (6,019)  |
| Amort of Gain On Sale/Leaseback    | -               | -                 | -               | -  | -  |
| Depreciation, Net of Amortization  | -               | -                 | -               | -  | -  |
| Other Expenses                     | 35,130          | 38,601            | 39,583          | (4,453)  | (982)  |
| Indirect Costs Capitalized To P&E  | (46,212)        | (31,058)          | (55,695)        | 9,483  | 4,617  |
| Total Non Labor                    | \$28,623        | \$22,346          | \$24,072        | \$4,552  | (\$1,726)  |
| Total Expenses                     | \$227,988       | \$215,798         | \$210,316       | \$17,673   | \$5,482  |
| <b>Total Operating P&amp;L</b>     | (\$142,133)     | (\$128,932)       | (\$139,429)     | \$2,704  | (\$10,497)   |

| Business Segment                     | TYPE                  | 2004            |              |                    | FY 2005 MONTHLY HEADCOUNT |              |              |              |              |              |              |              |              |              |              |     |
|--------------------------------------|-----------------------|-----------------|--------------|--------------------|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----|
|                                      |                       | ACTUAL March 31 | FCST SEP 30  | FY '04 Org. Charts | OCT                       | NOV          | DEC          | JAN          | FEB          | MAR          | APR          | MAY          | JUN          | JUL          | AUG          | SEP |
| CORE                                 | Management            | 202             | 177          | 176                | 189                       | 189          | 189          | 189          | 189          | 189          | 189          | 189          | 189          | 189          | 189          | 189 |
|                                      | Full-Time-Non Exempt  | 1,940           | 1,834        | 1,784              | 1,821                     | 1,821        | 1,797        | 1,797        | 1,797        | 1,821        | 1,821        | 1,821        | 1,821        | 1,821        | 1,821        |     |
|                                      | Part-Time Non Exempt  | -               | -            | -                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |     |
|                                      | Interns / Co-Ops      | 1               | -            | -                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |     |
|                                      | Contractor Head Count | 14              | 14           | 14                 | 15                        | 15           | 15           | 15           | 15           | 15           | 15           | 15           | 15           | 15           | 15           |     |
|                                      | <b>Total</b>          | <b>2,157</b>    | <b>2,025</b> | <b>1,974</b>       | <b>2,025</b>              | <b>2,025</b> | <b>2,001</b> | <b>2,001</b> | <b>2,001</b> | <b>2,025</b> | <b>2,025</b> | <b>2,025</b> | <b>2,026</b> | <b>2,026</b> | <b>2,026</b> |     |
| Commuter                             | Management            | -               | -            | -                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |     |
|                                      | Full-Time-Non Exempt  | 1               | -            | -                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |     |
|                                      | Part-Time Non Exempt  | -               | -            | -                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |     |
|                                      | Interns / Co-Ops      | -               | -            | -                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |     |
|                                      | Contractor Head Count | -               | -            | -                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |     |
|                                      | <b>Total</b>          | <b>1</b>        | <b>-</b>     | <b>-</b>           | <b>-</b>                  | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     |     |
| Reimbursable                         | Management            | 28              | 40           | 41                 | 34                        | 34           | 34           | 34           | 34           | 34           | 34           | 34           | 34           | 34           | 34           |     |
|                                      | Full-Time-Non Exempt  | 256             | 293          | 292                | 253                       | 253          | 253          | 253          | 253          | 253          | 253          | 253          | 253          | 253          | 253          |     |
|                                      | Part-Time Non Exempt  | -               | -            | -                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |     |
|                                      | Interns / Co-Ops      | -               | -            | -                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |     |
|                                      | Contractor Head Count | -               | -            | -                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |     |
|                                      | <b>Total</b>          | <b>284</b>      | <b>333</b>   | <b>333</b>         | <b>287</b>                | <b>287</b>   | <b>287</b>   | <b>287</b>   | <b>287</b>   | <b>287</b>   | <b>287</b>   | <b>287</b>   | <b>287</b>   | <b>287</b>   | <b>287</b>   |     |
| Commercial                           | Management            | -               | -            | -                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |     |
|                                      | Full-Time-Non Exempt  | 2               | -            | -                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |     |
|                                      | Part-Time Non Exempt  | -               | -            | -                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |     |
|                                      | Interns / Co-Ops      | -               | -            | -                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |     |
|                                      | Contractor Head Count | -               | -            | -                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |     |
|                                      | <b>Total</b>          | <b>2</b>        | <b>-</b>     | <b>-</b>           | <b>-</b>                  | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     |     |
| Projects                             | Management            | -               | -            | -                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |     |
|                                      | Full-Time-Non Exempt  | -               | -            | -                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |     |
|                                      | Part-Time Non Exempt  | -               | -            | -                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |     |
|                                      | Interns / Co-Ops      | -               | -            | -                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |     |
|                                      | Contractor Head Count | -               | -            | -                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |     |
|                                      | <b>Total</b>          | <b>-</b>        | <b>-</b>     | <b>-</b>           | <b>-</b>                  | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     |     |
| Capital                              | Management            | 61              | 115          | 115                | 117                       | 117          | 117          | 117          | 117          | 117          | 117          | 117          | 117          | 117          | 117          |     |
|                                      | Full-Time-Non Exempt  | 710             | 1,102        | 1,102              | 1,123                     | 1,123        | 1,065        | 920          | 920          | 1,113        | 1,123        | 1,123        | 1,123        | 1,123        | 1,123        |     |
|                                      | Part-Time Non Exempt  | -               | -            | -                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |     |
|                                      | Interns / Co-Ops      | -               | -            | -                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |     |
|                                      | Contractor Head Count | 1               | 1            | 1                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |     |
|                                      | <b>Total</b>          | <b>772</b>      | <b>1,218</b> | <b>1,218</b>       | <b>1,240</b>              | <b>1,240</b> | <b>1,182</b> | <b>1,037</b> | <b>1,037</b> | <b>1,230</b> | <b>1,240</b> | <b>1,240</b> | <b>1,240</b> | <b>1,240</b> | <b>1,240</b> |     |
| Total Planned Positions              | Core                  | 2,157           | 2,025        | 1,974              | 2,025                     | 2,025        | 2,001        | 2,001        | 2,001        | 2,025        | 2,025        | 2,025        | 2,026        | 2,026        | 2,026        |     |
|                                      | Commuter              | 1               | -            | -                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |     |
|                                      | Reimbursable          | 284             | 333          | 333                | 287                       | 287          | 287          | 287          | 287          | 287          | 287          | 287          | 287          | 287          | 287          |     |
|                                      | Commercial            | 2               | -            | -                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |     |
|                                      | Capital               | 772             | 1,218        | 1,218              | 1,240                     | 1,240        | 1,182        | 1,037        | 1,037        | 1,230        | 1,240        | 1,240        | 1,240        | 1,240        | 1,240        |     |
|                                      | <b>Total</b>          | <b>3,216</b>    | <b>3,576</b> | <b>3,525</b>       | <b>3,552</b>              | <b>3,552</b> | <b>3,470</b> | <b>3,325</b> | <b>3,325</b> | <b>3,542</b> | <b>3,552</b> | <b>3,553</b> | <b>3,553</b> | <b>3,553</b> |              |     |
| Vacancies                            | Core                  | (132)           | -            | -                  | 1                         | 1            | 25           | 25           | 25           | 1            | 1            | 1            | 1            | 1            |              |     |
|                                      | Commuter              | (1)             | -            | -                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            |              |     |
|                                      | Reimbursable          | 49              | -            | -                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            |              |     |
|                                      | Commercial            | (2)             | -            | -                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            |              |     |
|                                      | Capital               | 446             | -            | -                  | -                         | -            | 58           | 203          | 203          | 10           | -            | -            | -            | -            |              |     |
|                                      | <b>Total</b>          | <b>360</b>      | <b>-</b>     | <b>-</b>           | <b>1</b>                  | <b>1</b>     | <b>83</b>    | <b>228</b>   | <b>228</b>   | <b>11</b>    | <b>1</b>     | <b>1</b>     | <b>1</b>     | <b>1</b>     |              |     |
| Total Approved Positions (Org Chart) | Core                  | 2,025           | 2,025        | 1,974              | 2,026                     | 2,026        | 2,026        | 2,026        | 2,026        | 2,026        | 2,026        | 2,026        | 2,026        | 2,026        |              |     |
|                                      | Commuter              | -               | -            | -                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            |              |     |
|                                      | Reimbursable          | 333             | 333          | 333                | 287                       | 287          | 287          | 287          | 287          | 287          | 287          | 287          | 287          | 287          |              |     |
|                                      | Commercial            | -               | -            | -                  | -                         | -            | -            | -            | -            | -            | -            | -            | -            | -            |              |     |
|                                      | Capital               | 1,218           | 1,218        | 1,218              | 1,240                     | 1,240        | 1,240        | 1,240        | 1,240        | 1,240        | 1,240        | 1,240        | 1,240        | 1,240        |              |     |
|                                      | <b>Total</b>          | <b>3,576</b>    | <b>3,576</b> | <b>3,525</b>       | <b>3,553</b>              | <b>3,553</b> | <b>3,553</b> | <b>3,553</b> | <b>3,553</b> | <b>3,553</b> | <b>3,553</b> | <b>3,553</b> | <b>3,553</b> | <b>3,553</b> |              |     |

\*\*\*\* SEE FORM 12.1 FOR UNPLANNED VACANCY SAVINGS

NOTES:



**PROJECT SUMMARY**

Project Name  
**Wilmington Diesel Switcher Rebuilds**

Project Number  
**20037433**

|  |      |  |                          |
|--|------|--|--------------------------|
| Requesting Dept / Division<br><b>John Wood</b> |      | Responsible Dept / Division<br><b>Vincent A. Nesci</b> |                          |
| Dept. Head<br><b>William Crosbie</b>           | Date | Dept. Head<br><i>[Signature]</i>                       | Date<br><b>14 Jan 05</b> |
| Executive Committee Member                     | Date | Executive Committee Member<br><i>[Signature]</i>       | Date<br><b>1-19-05</b>   |

Project Manager:  
**Daniel Ruppert**

**Investment Type**

Mandatory:  Legal  3<sup>rd</sup> Party Committed  
 State of Good Repair:  Safety  Life Cycle Replacement  Major Asset Renewal or Replacement  
 Strategic Investment:  Upgrade or Expansion

Location:  Northeast  West  South  Central  
 Category:  Fleet  Infrastructure  Facilities  Technology  Partnership  Life Safety  Environmental  Other  
 Service Type:  Spine  Long Distance  Corridors  System

**Funding Request:**

(Thousands)

|   | FY03 and FY04 | FY05  | Deferred   | FY06          | FY07         | FY08     | FY09     | Total FY05-09 |
|---|---------------|-------|------------|---------------|--------------|----------|----------|---------------|
| General Capital State and Local         | 3,080         | 5,475 | 196        | 10,190        | 9,460        | 0        | 0        | 25,125        |
| Special Federal Grant                   |               |       |            |               |              |          |          |               |
| Project-related operating costs ("PRJ") |               |       |            |               |              |          |          |               |
| Carryover                               |               |       |            |               |              |          |          |               |
| <b>Total Request</b>                    | <b>3,080</b>  |       | <b>196</b> | <b>10,190</b> | <b>9,460</b> | <b>0</b> | <b>0</b> | <b>25,125</b> |

Specify State/Local Sources Contributing: N/A

Specify Other Sources: N/A

**Scope (Purpose /Project Details)**

The Diesel Switcher program will rebuild 6 switchers in FY05, 14 in FY06, and 13 in FY07. This will include unit exchange of the prime mover, main generator, and air compressor, as well as repair and/or replacement of auxiliary generator power contactors, voltage regulator, batteries, truck overhaul, cab refurbishment, paint, and the restoration of glazing. Electric and Wheel Shops support will encompass electronics repair where feasible, D77 traction motors, wheels, and traction motor combo assembly.

**Schedule (Milestone Activities by date)**

- 1 November, 2004
- 1 January, 2005
- 1 March, 2005
- 1 June, 2005
- 1 July, 2005
- 1 August, 2005

**Capital Workforce Requirements \*\***

27 Employees (25 -- Locomotive Shop, 1.5 -- Electric Shop, 0.5 -- Wheel Shop)

\*\*This information must tie in to the Project Expenditure Summary. Supplemental information should be appended where appropriate.  
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**DEPARTMENTAL PROGRESS REPORT**  
Operating Business Lines

DEPARTMENT: Mechanical Wilmington Shop  
FINANCIAL STATUS:

PERIOD: October, 2005  
DEPARTMENT HEAD: J. Wood

|               | Current Period<br>(October 1 - 31) |           |          | Year-To-Date<br>(October 1 - 31) |           |          | Year-End-Projection<br>(October 1 - September 30) |            |          |
|---------------|------------------------------------|-----------|----------|----------------------------------|-----------|----------|---|------------|----------|
|               | Actual                             | Budget    | Variance | Actual                           | Budget    | Variance | Forecast  | Budget     | Variance |
|               | \$ (000s)                          |           |          |                                  |           |          |   |            |          |
| Revenue       |                                    |           |          |                                  |           |          |   |            |          |
| Expenses      |                                    |           |          |                                  |           |          |   |            |          |
| Labor:        |                                    |           |          |                                  |           |          |   |            |          |
| - Salaries    | 77.4                               | 77.4      | (0.0)    | 77.4                             | 77.4      | (0.0)    | 828.6   | 828.6      | (0.0)    |
| - Regular     | 1,081.7                            | 1,108.8   | 15.0     | 1,081.7                          | 1,108.8   | 15.0     | 13,797.3  | 13,812.4   | 15.0     |
| - Overtime    | 55.1                               | 59.6      | 4.4      | 55.1                             | 59.6      | 4.4      | 709.4   | 713.8      | 4.4      |
| - Benefits    | 721.6                              | 731.6     | 10.0     | 721.6                            | 731.6     | 10.0     | 8,441.8   | 8,451.8    | 10.0     |
| Sub-Total     | 1,045.8                            | 1,075.1   | 29.3     | 1,045.8                          | 1,075.1   | 29.3     | 24,877.2  | 24,906.6   | 29.3     |
| Non-Labor     | (715.5)                            | (73.2)    | 642.3    | (715.9)                          | (73.2)    | 642.3    | (1,434.6)   | (1,128.2)  | 306.3    |
| Total Expense | 1,230.3                            | 1,002.0   | 671.7    | 1,230.3                          | 1,002.0   | 671.7    | 23,442.6  | 23,778.3   | 335.7    |
| Net           | (1,230.3)                          | (1,002.0) | 671.7    | (1,230.3)                        | (1,002.0) | 671.7    | (23,442.6)  | (23,778.3) | 335.7    |

| YEAR-TO-DATE VARIANCE EXPLANATIONS: |  | Period | \$ (000s) |            |
|-------------------------------------|--|--------|-----------|------------|
|                                     |  |        | To - Date | Year - End |
| REVENUE:                            |  |        |           |            |
| Sub-Total                           |  | 0.0    | 0.0       | 0.0        |
| LABOR:                              |  |        |           |            |
| Salaries                            |  | (0.0)  | (0.0)     | (0.0)      |
| Regular                             |  | 15.0   | 15.0      | 15.0       |
| Overtime                            |  | 4.4    | 4.4       | 4.4        |
| Benefits                            |  | 10.0   | 10.0      | 10.0       |
| Sub-Total                           |  | 29.3   | 29.3      | 29.3       |
| Non-Labor:                          |  |        |           |            |
| Employee Related                    |  | 0.0    | 0.0       | 0.0        |
| Train Operations                    |  | -      | -         | -          |
| Fuel, Power, & Utilities            | Warm weather during the month of October allowed the Shops to avoid turning the heat on, which when coupled with a \$22K correction from DELMARVA resulted in this large positive variance.                              | 76.0   | 76.0      | 0.0        |
| Materials                           | Greater than anticipated credits from repair and return work in the Electric and Wheel Shops resulted in this positive variance.   | 411.2  | 411.2     | 151.2      |
| Facility, Communication, & Office   | The year-to-date favorable variance is due to less than anticipated building maintenance expenses (\$22K).   | 25.2   | 25.2      | 20.2       |
| Casualty and Other Claims           |  | 2.2    | 2.2       | 2.2        |
| Other Expenses                      | This negative variance is due to the timing of bills. Incurred \$21K this month for drum disposal and load out for the fourth quarter FY05; where-as the budget is spread across the whole of the first quarter of FY06. | (4.1)  | (4.1)     | (4.1)      |
| Indirect Costs Capitalized to P&E   | Greater than anticipated expense finishing the last AEM-7 DC locomotive heavy overhaul, and finishing the last FY05 HMP overhaul resulted in greater than anticipated transfer credits.                                  | 130.9  | 130.9     | 130.0      |
| Sub-Total                           |  | 642.3  | 642.3     | 306.3      |
| Total                               |  | 671.7  | 671.7     | 335.7      |

**WORKFORCE STATUS - Authorized Headcount**

|              | As of October 31, 2005 |        |          |
|--------------|------------------------|--------|----------|
|              | Actual                 | Budget | Variance |
| Core         |                        |        |          |
| Commuter     | 329                    | 337    | \$       |
| Reimbursable | -                      | -      | -        |
| Commercial   | -                      | -      | -        |
| Projects     | -                      | -      | -        |
| Capital      | 40                     | 39     | (1)      |
| Total        | 371                    | 376    | \$       |
| Non-Amtrak   | -                      | -      | -        |

|              | Projected as of Sep. 30, 2006 |        |          |
|--------------|-------------------------------|--------|----------|
|              | Forecast                      | Budget | Variance |
| Core         |                               |        |          |
| Commuter     | 337                           | 337    | -        |
| Reimbursable | -                             | -      | -        |
| Commercial   | -                             | -      | -        |
| Projects     | -                             | -      | -        |
| Capital      | 39                            | 39     | -        |
| Total        | 376                           | 376    | -        |
| Non-Amtrak   | -                             | -      | -        |

Headcount is defined as someone with an active payroll status as of the end of the month. Non-Amtrak headcount includes contractors, temporaries, co-op students, and interns. Non-Amtrak headcount are reported separately and are not included in Amtrak headcount totals.

**AREA OF CONCERN** (Relating to Achievement of Budget and Goals & Objectives)

**CORRECTIVE ACTION TO BE TAKEN TO ADDRESS CONCERNS**

Signature of Department head: \_\_\_\_\_

Date: \_\_\_\_\_



|                              |                   |                                     |                |                |
|------------------------------|-------------------|-------------------------------------|----------------|----------------|
| <b>Project Status Report</b> | Project/Program # | PRJ20037433                         | FRA Grant Type | NECSpine       |
|                              | Name              | Wilmington Diesel Switcher Overhaul | Car #/Name     | Not Applicable |
|                              | Report Month      | Oct-05                              | Mechanical     |                |

By signing below, I/we acknowledge that I/we have examined all data disclosed in this report and attest that changes are within scope of the project(s), are prudent and comply with GAAP capitalization guidelines as contained within FI-9.

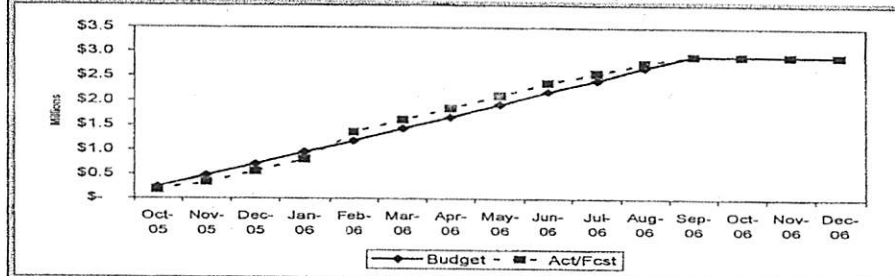
**DESCRIPTION**

This program consists of labor and material costs for overhaul of 4 diesel switcher locomotives. This work includes overhaul of the prime mover, main generator, and air compressor. Trucks will be overhauled and converted from clasp brakes to single composition shoe brakes. Components to be repaired or upgraded include auxiliary generator power contactors, and voltage regulator. Batteries, window glazing, and cab appurtenances will be renewed. Cab interior and carbody exterior will be painted.

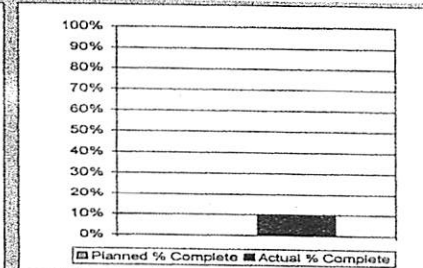
Daniel P. Ruppert  
PROJECT/PROGRAM MANAGER

John J. Wood  
DEPARTMENT HEAD

**Cumulative Expenditures FY06 Budget vs. Actual/Forecast**



**FY06 Percent Complete**



|   |   |  |
|---|---|--|
| <b>EYRS SPEND PLAN VARIANCE EXPLANATION</b><br>Within Budget? Yes | <b>EYRS SCHEDULE VARIANCE EXPLANATION</b><br>Within Schedule? Yes | <b>AREAS OF CONCERN &amp; ACTION TO BE TAKEN</b><br>1. The P38-8 project is to be performed by Beech Grove Maintenance Facility. |
| Full Year Anticipated Variance to Budget (\$M) \$ 0.0             |   |  |

| EXPENDITURES (\$M) | Oct-05   | Nov-05   | Dec-05   | Jan-06   | Feb-06     | Mar-06   | Apr-06   | May-06   | Jun-06   | Jul-06   | Aug-06   | Sep-06   | FY06 Total | Oct-06 | Nov-06 | Dec-06 |
|--------------------|----------|----------|----------|----------|------------|----------|----------|----------|----------|----------|----------|----------|------------|--------|--------|--------|
| Budget             | \$ 0.244 | \$ 0.233 | \$ 0.233 | \$ 0.245 | \$ 0.222   | \$ 0.257 | \$ 0.233 | \$ 0.257 | \$ 0.257 | \$ 0.233 | \$ 0.268 | \$ 0.233 | \$ 2.914   | \$ -   | \$ -   | \$ -   |
| Actual/Forecast    | \$ 0.178 | \$ 0.151 | \$ 0.233 | \$ 0.245 | \$ 0.547   | \$ 0.257 | \$ 0.233 | \$ 0.257 | \$ 0.257 | \$ 0.200 | \$ 0.210 | \$ 0.147 | \$ 2.914   | \$ -   | \$ -   | \$ -   |
| Variance           | \$ 0.066 | \$ 0.082 | \$ 0.000 | \$ 0.000 | \$ (0.326) | \$ 0.000 | \$ 0.000 | \$ 0.000 | \$ 0.000 | \$ 0.033 | \$ 0.058 | \$ 0.087 | \$ 0.000   | \$ -   | \$ -   | \$ -   |

|   |  |   |
|---|--|---|
| <b>Project/Program Status</b>                       | <b>PROGRESS PAST THREE MONTHS</b>  | <b>PLANNED FOR NEXT THREE MONTHS</b>  |
| <b>EYRS PROGRESS TO DATE</b>                        | 1. Switcher #737 stripped, sent to paint. Awaiting engine.<br>2. Parts for P38-8's ordered and 95% received at Wilmington Shops. | 1. Reassemble the #737 and return to service.<br>2. Ship parts for P-38-8's from Wilmington Shops to Beech Grove Shops. |
| Planned Project % Complete 0%                       |  |   |
| Project % Complete 10%                              |  |   |
| Actual % Spent vs. Budget 6%                        |  |   |
| <b>FULL PROJECT CUMULATIVE</b>                      |  |   |
| Within Authorization? Yes                           |  |   |
| Authorized from Inception (Multi-Year Project) \$ - |  |   |
| Expenditures from Inception plus FY06 Forecast \$ - |  |   |
| Variance \$ -                                       |  |   |
| <b>EXPLANATION</b>                                  |  |   |

| Project/Milestone Number | Project Name/Major Milestone | Planned Start Date | Revised/Actual Start Date | Planned End Date | Revised/Actual End Date | Percent Complete To Date | Act YTD vs. Bgt Tot % | Comments |
|--------------------------|------------------------------|--------------------|---------------------------|------------------|-------------------------|--------------------------|-----------------------|----------|
| Switcher #1              |                              | 10/01/05           |                           | 12/31/05         |                         | 40%                      | 35%                   |          |
| Switcher #2              |                              | 01/01/05           | 10/04/05                  |                  |                         |                          |                       |          |
| Switcher #3              |                              | 03/01/05           |                           |                  |                         |                          |                       |          |
| Switcher #4              |                              | 06/01/05           |                           |                  |                         |                          |                       |          |

# PROBLEMS

- Next GM
  - Requires strong operating and technical background
  - Job description
- Recommendation – A screening panel of professionals (Amtrak, Sr. VPO, etc.)
- Senior Managers
  - Job description
  - Panel of experts
  - Post in-house / recruitment
- WMATA's reputation is damaged; quality of next General Manager will significantly affect ability to recruit.



# PROBLEMS- CONTINUED

## Projects-Board Driven

| Bus                 |                  |                  |
|---------------------|------------------|------------------|
|                     | Capital Cost     | Annual Operating |
| Pretty Bus          | \$25K/bus        |                  |
| CNG                 | \$15-30M/ garage | \$500K           |
| cost per mile \$.13 |                  | \$6,370,000      |

| Access       |  |                  |
|--------------|--|------------------|
|              |  | Annual Operating |
| Low Fares    |  | \$4M             |
| Service Area |  | \$2.5M           |
| Eligibility  |  | \$ 9-18M         |

# Problems, Continued

## Information Technology (\$000,000)

| ITSV     | Heads | Operating | Capital | Total | Consultants |
|----------|-------|-----------|---------|-------|-------------|
| 2004     | 132   | 15        | 3       | 18    | ??          |
| 2005     | 129   | 13        | 5       | 18    | ??          |
| 2006     | 128   | 15        | 5       | 18    | ??          |
| 2007     | 121   | 16        | 5       | 21    | ??          |
| 2008     | 135   | 20        | 22      | 42    | ??          |
| 2009     | 204   | 36        | 36      | 72    | 21          |
| 2010     | 203   | 34        | 51      | 85    | 19          |
| Increase | 54%   |           |         | 478%  |             |