



Metropolitan Transportation Authority

State of New York

April 22, 2020

Ms. Carmen Maldonado
Audit Director
The Office of the State Comptroller
Division of State Government Accountability
59 Maiden Lane, 21st Floor
New York, NY 10038

Re: Final Report #2019-F-19 (Utilization of the Arch Street Yard and Shop Facility)

Dear Ms. Maldonado:

This is in reply to your letter requesting a response to the above-referenced final report.

I have attached for your information, the comments of Phillip Eng, President, MTA Long Island Rail Road, which address this report.

Sincerely,


Patrick J. Foye
Chairman and Chief Executive Officer

- c: Anni Zhu, Acting MTA Chief of Staff
Michele Woods, Acting Auditor General, MTA Audit Services

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MTA New York City Transit
MTA Long Island Rail Road

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MTA Construction & Development
MTA Bus Company



March 26, 2020

Mr. Patrick Foye
Chairman and Chief Executive Officer
Metropolitan Transportation Authority
2 Broadway
New York, NY 10004

**RE: MTA Long Island Rail Road
Utilization of the Arch Street Yard and Shop Facility – Follow-Up
Report 2019-F-19 (Report)**

Dear Chairman Foye:

As required by Section 170 of the Executive Law, described below is the Long Island Rail Road's (LIRR's) response to the State Comptroller's (OSC) follow-up Report of the LIRR's Utilization of the Arch Street Yard and Shop Facility (Facility).

The Report noted that the Facility was constructed in advance of East Side Access (ESA) opening day and not utilized as originally planned but acknowledged that wheel-truing and stored equipment was performed there.

In response, I offer the following ways the LIRR will use the Facility in support of opening day for ESA:

- M9 car modification work;
- Fleet testing and commissioning to support rolling stock; and
- Commissioning ESA Rescue Locomotive and the LIRR/New York Atlantic Rail work locomotives.

The Report stated that the LIRR did not implement the recommendation to perform a cost-benefit analysis to determine the best use for the Facility and the equipment until ESA is open.

The LIRR has already determined how to best use this Facility in advance of ESA opening day. The wheel truing work performed at the yard has allowed the LIRR additional capacity that could not be duplicated elsewhere. This use of the yard ensured that our fleet was able to run safely as we addressed flat wheels timelier than ever before. This not only saved the LIRR operating costs,

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but it enabled the LIRR to avoid short trains, as well as costs associated with delays and cancellations. Our customers also benefitted from improved safety and on time performance.

Other past usage of the Facility that has yielded direct and significant benefit to cost and/or availability is as follows:

- 2005-2009 – the LIRR conducted acceptance and warranty work on the M7 Fleet. If not for the availability of this Facility, the LIRR may have had to ship the fleet off-site and incurred additional costs and delays.
- 2016-2018 – the LIRR entered into an agreement with Metro North Railroad (MNR) for a third party to conduct Positive Train Control work on its fleet. Again, if not for the availability of this Facility MNR would have likely incurred additional costs to secure site.

The LIRR estimates that it has cost approximately \$6.9 million to operate and maintain Arch Street since opening in 2005. Revenues generated to partially offset these costs have totaled approximately \$3.5 million to date. Notwithstanding the fact that the original construction price in today's dollars is less than what it would cost to build today, I believe that the net cost of \$3.4 million over 15-year period of existence has been worth the operational benefits we have experienced.

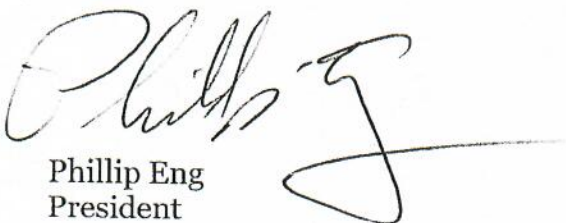
Going forward, the LIRR has determined that the most efficient use of the Facility continues to be for:

- M9 car modification work. (The LIRR is currently finalizing the lease agreement with Kawasaki to perform modifications at Arch Street.)
- M9A car testing/commissioning.
- Wheel Truing on an ongoing basis to address any back log of out-of-service equipment.
- Storage of long-term out-of-service rolling stock on legal-hold pending investigations.

Any additional analysis would confirm that the LIRR's current use, together with the having a fully-functional and operational facility ready for ESA's opening day, provides benefits that outweigh the costs to maintain the Facility. The LIRR is in a better position to support ESA and current LIRR operations with this Facility being available as we continue to modernize and increase our ability to support a growing ridership.

Please contact me should you require additional information.

Sincerely,



Phillip Eng
President

Mr. Patrick Foye
March 26, 2020
Page 3 of 3

cc: M. Young
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