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Executive Management and Audit Committee

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Metrolink Positive Train Control Funding

The MTA Board of Directors has already made improving commuter rail safety a policy priority and should continue to do everything it can to support Metrolink's safety improvement efforts.

Measure R includes an estimated \$1.2 billion in commuter rail funding over the next 30 years.

At the January 30, 2009 Metrolink Board meeting, Metrolink management identified the cost to implement positive train control (PTC) in its service area at \$201 million.

The projected cash flow needs to implement PTC are currently projected by Metrolink management as follows:

FY 09 \$23 million

FY 10 \$46 million

FY 11 \$62 million

FY 12 \$60 million

FY 13 \$10 million

If federal funding, including potential economic stimulus funds and/or positive train control funding from H.R. 2095, materialize, Metrolink's conceptual funding plan would require \$75 million from Metrolink's member agencies.

Since MTA's share of Metrolink's funding is about 50%, MTA's potential PTC share is likely to range from about \$37.5 million (if federal funds are received) to \$100 million (federal funds are not received).

It is not clear at this point if Metrolink and/or its other member agencies have available funding for their share of PTC in the near-term.

Even if Metrolink and/or other member agency funding is not available, MTA should use its financial resources to ensure that PTC is implemented as quickly as possible.

WE THEREFORE MOVE that the MTA Board of Directors:

- A. Adopt as board policy that Measure R 3% commuter rail funds shall be prioritized for Metrolink system safety improvements, with a first priority for implementation of positive train control (PTC) in the Los Angeles County portion of the Metrolink service area
- B. Direct the CEO to report back to the MTA Board with recommendations on how to program the remainder of the Measure R 3% commuter rail funds after PTC is implemented and operational

- C. Direct the CEO to program, based on cash flow needs identified by Metrolink, up to \$105 million in Measure R 3% funds for positive train control in the Long Range Transportation Plan and allocate necessary funds in future budgets; funding commitment shall depend on the level of federal and/or state funding secured and shall be amended, subject to MTA Board approval, when a more precise Los Angeles County share for PTC is known

- D. Direct the CEO to develop and recommend for MTA Board approval one or more agreements to front-fund the non-Los Angeles County portion of PTC costs if requested by other Metrolink and/or its member agencies, subject to the following:
 - 1. Each county seeking MTA front-funding shall be required to execute a legally binding repayment agreement

 - 2. Repayment terms shall include interest annually equal to the consumer price index to account for decreased spending value of funds due to inflation

3. MTA shall issue debt against the Measure R 3% revenue stream if necessary to meet MTA's and/or another county's PTC share if funding assistance is requested; other counties shall be required to pay interest and issuance costs to MTA per agreed upon terms if debt is issued to meet some or all of their share of PTC funding

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