

September 17, 2015

PORT AUTHORITY
TRANS-HUDSON CORPORATION

Michael P. Marino
Director/General Manager

The Honorable John Thune
Chairperson
Committee on Commerce, Science, and Transportation
Washington, DC 20510-6125

Dear Senator Thune:

Thank you for this opportunity to respond to the concerns of the Senate Committee on Commerce, Science, and Transportation and RSIA 2008 mandate. PATH continues to work towards Positive Train Control (PTC) compliance with the upcoming December 31, 2015 deadline. PATH as many other railroads have been struggling with the same issues the Senator identifies for the last 8 months when it became evident that PATH could not meet the mandatory date for compliance with the PTC requirements of RSIA 2008.

If Congress does not extend the statutory deadline, PATH understands that the Federal Railroad Administration (FRA) intends to review the status of each railroad not in compliance and, where it deems necessary, impose enforcement measures that will include, but are not limited to the assessment of fines. We understand FRA's position in this matter. The FRA is an executive agency and is obligated to enforce the requirements of the law to the best of its ability.

I understand the FRA position, but it is not a welcome one. PATH has expended \$383.7M of a total project cost of \$580.1M since the inception of the program through July 2015 on the design, review, implementation, and testing processes for positive train control. PATH has dedicated over 830,000 employee field hours to this effort.

PATH has made this effort concurrent with our ongoing program to restore the operating infrastructure to an extremely high level of reliability and safety after the devastating impact of Hurricane Sandy three years ago. This recovery and resilience effort has cost \$150.0M, and has consumed 375,000 of employee hours.

In truth, FRA's assessment of fines can and will do nothing to accelerate the schedule for PTC implementation.

Beyond the issue of fines, however, are the more important questions of service, liability, and safety. The delay in meeting RSIA 2008 deadline in no way, shape, or form jeopardizes the safety and/or the quality of the service that PATH provides to over 265,000 riders who utilize PATH's 295 passenger cars to commute between and within New Jersey and New York City each day. Since the passage of RSIA 2008, PATH has experienced zero PTC preventable accidents on its mainline. Zero passengers injured due to mainline human error ("crew failure") PTC preventable accidents. Zero employees have been injured due to PTC preventable accidents since the passage of RSIA 2008.

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However, PATH's failure to meet the statutory deadline does jeopardize the quality and safety of that service as PATH could be compelled to suspend its service in part or in whole until

compliance has been achieved. Or, perhaps more likely, passengers will lose confidence in PATH as the safest, most reliable and most affordable commuting option into Manhattan. In any of these scenarios, a suspension in service for our 265,000 daily riders would severely disrupt regional travel patterns, increase congestion, endanger more commuters by shifting them to more risky modes of travel (e.g., bus, private autos) and adversely impact the economic prospects of the New York - New Jersey Region.

In addition to the increased risk to safety, the resulting gridlock at the Holland and Lincoln tunnels would prove economically devastating to the NYC metropolitan area at the very time when business activity has finally regained the ground lost in the 2007-2009 recession.

My concern at PATH is that if Congress fails to extend the deadline, PATH will be viewed as violating the law and will lose the confidence and trust of our ridership when our operating record, and our ability have demonstrated the PATH organization, and the PATH rail employees, are dedicated above all to safe passenger transportation.

We recognize that our safety record is the product of our belief, and actions, that we can always improve our operation. To that end, PATH is developing a program of enhanced observation and supervision of daily train operations to further reduce the risk of operating rule violations that might produce an accident. We have committed to instituting several measures in the critical areas of speed compliance and work zone safety. PATH will maintain this enhanced oversight program until our PTC system is fully operational.

Thank you for the opportunity to express our concerns in this matter. I am available for any questions you might have.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Marino", with a long horizontal flourish extending to the right.

Michael P. Marino
Director/General Manager
PATH